

EIGHT PAGES
FROM SUNDAY'S
The New York Times
THE WEEK IN REVIEW
INSIDE TODAY

THE JERUSALEM POST

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THE DIFFERENCE

Statistics for August show:

Record IS135 billion printed, tax revenue down 20 per cent

By AVI TEMKIN
Post Economic Reporter

The government pumped a record IS135.4 billion into the economy in August, The Bank of Israel announced yesterday. Foreign currency reserves fell by \$192 million during the month.

The fall brought the official reserves level to some \$2.4 b. the lowest registered since the end of 1978. Last month the bank initially announced that the reserves had fallen by \$351m., but later admitted that a further drop of \$325m. had been concealed by a bookkeeping maneuver.

Just a few hours after the bank released the figures for the reserves and the monetary injection, the Treasury announced that tax collec-

tion for August had also registered a fall.

According to the ministry's figures, tax collection last month totalled IS208b., 20 per cent less in real terms than tax revenue for August 1983. The fall in income tax revenue was even more marked - it totalled IS106b., 27 per cent less than in August 1983.

The various figures caused considerable concern among government officials, politicians and members of the financial community. Although a large figure for money injected was expected, the IS135b. record came as a surprise to many of them.

Economic observers in Jerusalem pointed out that the money pumped into circulation in August is equivalent

to some \$450m. "In other words the government injected an average equivalent to \$15m. a day."

Bank of Israel senior officials openly blamed the government for worsening the balance of payments and reserves situation by the huge scale money printing of the last months.

According to Yisrael Igra, director of the bank's Foreign Exchange Department the drain in the reserves was a direct result of the large sums of money injected into the economy by the government in the last months.

He added that the huge injections had helped to finance imports and the purchase of dollars by the public, thus contributing to the worsening of

(Continued on Page 2, Col. 4)

Compromise could be yearly switch of premier Peres-Shamir talks deadlocked but national unity still possible

By DAVID LANDAU
and MICHAEL YUDELMAN
Jerusalem Post Reporters

The Peres-Shamir national unity talks broke up in deadlock last night. But despite the deadlock, and the recriminations that immediately followed, politicians in both camps were at pains not to slam the door on the unity option.

Some of them felt that the hardening of positions was tactical and that agreement was still possible.

Indeed, within hours of the talks' breakdown, Peres was on the telephone to Shamir from Labour headquarters in Tel Aviv, discussing the

disputed issue of planned settlements in Judea and Samaria.

One prediction, from seasoned political sources, was that Shamir and Peres would finally compromise on an annually rotating premiership - instead of the biennial rotation tentatively agreed on last week.

According to this prediction, Likud would agree to Labour's holding the Defence Ministry under this scheme.

Peres confirmed to his colleagues in the Labour leadership last night that Shamir had proposed a one-year rotation.

Peres told Yitzhak Rabin, Yitzhak Navon and Haim Bar-Lev that Shamir had also backed away from their

earlier tentative agreement that Peres serve first as premier, citing Mapam's intention to secede from the Alignment if a unity government is established.

Shamir had also proposed - contrary to the earlier accord - that the defence ministry be rotated too.

Finally Shamir had brought to the meeting with Peres a map of settlements in Judea and Samaria the establishment of which had already been decided upon by the present government but not yet implemented.

However, Shamir had not cancelled Wednesday's agreement outright in making the new proposals; he sought to prevent a complete break-

down of the talks.

Peres rejected the new proposals, saying that the agreement on Wednesday was a package deal. He said the agreement constituted a significant concession on the part of the Alignment and he could not accept any change in the matter of rotation or regarding the post of defence minister.

He took the map of settlements with him to the Labour leadership meeting last night and called Shamir from the meeting and said that after studying the map, he could not agree to discuss concrete proposals about the timing of each settlement, but would leave it for the future government. (Continued on Page 2, Col. 2)

Basic foods, fuel prices up 15-20%

By AVI TEMKIN
Post Economic Reporter

The price of cooking oil was almost doubled at midnight yesterday when the Treasury announced an 82 per cent increase in the retail price. Prices of other basic commodities were raised by 15 per cent, and fuel prices rose by 20 per cent.

According to the Treasury the price hikes will contribute a 3 per cent increase in the consumer price index for this month. It added that the increase in the price of cooking oil will bring down the subsidy rate to some 25 per cent.

Below is a sample list of the new prices:

	New price	Old price
Bread		
750 gr loaf regular	IS36	IS31
750 gr white	IS54	IS47
Hala	IS94	IS80
Cooking oil litre	IS550	IS303
Margarine 250 gr	IS105	IS91
Milk litre	IS101	IS88
Butter	IS80	IS70
Eshel	IS38	IS33

Fuel per litre

91 octane	IS166	IS138
96 octane	IS196	IS163
Diesel fuel	IS133	IS111
Kerosene	IS138	IS115
Cooking gas		
12kg. cylinder	IS2,664	IS2,220
Metered gas		
1 cubic metre	IS623.35	IS530.95
Heavy oil for electricity (per ton) (without VAT)	IS2,843	IS4,036
Heavy oil for industry (per ton, without VAT)	IS7,554	IS47,962

IDF, SLA under fire in Southern Lebanon

Jerusalem Post Reporter

METULLA. - There were two attacks on Israel Defence Forces and South Lebanon Army troops yesterday in South Lebanon, with no casualties in either attack.

In the first incident, a roadside bomb exploded as an IDF patrol passed south of Ansariya in the central sector.

In the second, SLA troops came under light-weapons fire in the centre of Sidon.

Scenic Negev patrol road open to public

BEERSHEBA (Itim). - An 80-kilometre road along the western Negev border with Egypt was opened yesterday at a festive ceremony attended by OC Southern Command Aluf Moshe Bar-Kochba and officials of the Nature Reserves Authority.

The road, from Nitzana in the northwest to Har Harif in the southeast, was originally paved as a border patrol road by the Israel Defence Forces. In accordance with an agreement with the NRA, it has now been opened for civilian travel during day-

The "dear old, jolly old school days" are yet to come for these first-graders at the Paula Ben-Gurion school in Jerusalem on the opening day of the 5745 academic year yesterday. (Rahamin Israeli)

Schools start smoothly after all-night talks

By LEA LEVAVI
and D'VORA BEN SHAUL
Jerusalem Post Reporters

Jerusalem Post Staff

All-night talks between officials of the Finance and Education Ministries and of the teachers' union lifted the threat of a teachers strike which threatened to disrupt the first day of school yesterday. As a result, the new school year began uneventfully.

Eighty-nine thousand six-year-olds entered the first grade and 226,000 five-year-olds compulsory kindergarten, which would in any event not have been affected by the strike.

After 10 hours of negotiations that started at 8 p.m. on Saturday, the teachers concluded that they had got what they wished, with few exceptions.

They will receive the 26 per cent

pay raise they demanded as part of the national wage agreement, without being required to sign the agreement itself.

They will agree not to strike for four months.

But the Treasury was adamant about not allowing the 8 per cent parity bonus, the real bone of contention, to be mentioned in the agreement. Both sides finally agreed that they would be allowed to raise this or any other matter in a series of negotiations to begin this week between officials of the Finance and Education Ministries and the teachers' union. The negotiations will be accompanied by their legal advisers who will also draw up the agreement within two weeks.

Teachers remain firm in their demand for the parity bonus, however, and a union source told *The Jerusalem Post* that "whatever they call it, we insist on getting it." It was also hinted that the teachers have agreed to take the bonus in instalments in order to lighten the burden on the Treasury.

All told, more than 1.1 million (Continued on Page 2, Col. 4)

New elections now a serious option

Alignment won't make any further concessions

By ROY ISACOWITZ
Jerusalem Post Reporter

TEL AVIV. - The Alignment will not offer the Likud any further concessions in the negotiations for a national unity government, informed Labour Party sources said last night. They said it is now up to the Likud to take or leave the agreement that has been reached.

The sources predicted that the Likud will soften its demands once it becomes clear that Labour has no intention of budging from its position.

The sources accused Prime Minister Shamir of reneging on his agreement with Alignment leader Shimon Peres. They maintained that Peres and Shamir reached an agreement last week, the terms of which Shamir subsequently attempted to alter radically.

The option of new elections is now being taken seriously by the Labour Party, the sources said. The consensus is that if no government is agreed on by the end of this week, the

second week of Peres's second coalition-forming period, new elections may well be the only alternative.

The sources said that if it becomes clear in the next few days that a national unity government cannot be formed, Labour will go ahead with its efforts to form a narrow government.

Those efforts will concentrate on the National Religious Party and Agudat Yisrael, both of which were contacted by Labour negotiators yesterday, and Tami. NRP and Labour representatives are due to meet today.

The feeling in Labour is that a narrow government will not be easy to achieve. The sources noted that the religious parties, in particular Agudat Yisrael, have not come out openly in favour of Labour, despite intensive consultations last week. "It is difficult to imagine what more we can offer them," one source said.

Peres met late last night with the senior members of his negotiating team. He was due to report on his meeting with Shamir and to discuss Labour's last-ditch effort to gain the allegiance of the religious parties.

Knesset session today

Jerusalem Post Staff

The Knesset is to convene today at 4 p.m. On the agenda are several bills being proposed by the government for their first reading.

Tami still weighing offers from Alignment and Likud

By MICHAEL YUDELMAN
Jerusalem Post Reporter

Tami yesterday again postponed a decision on joining the Likud pending "clarifications and consultations" in the Likud concerning its agreement with Tami.

While it is improbable at this stage that Tami will be persuaded out of the Likud's lap and into the Alignment Party's arms, it was learned that party leader Aharon Abutzeira was receiving "extremely generous offers" yesterday from both big blocs.

Senior sources would not say what additional offers the Alignment came up with, but confirmed that the Alignment seems to have changed its position from last week, when its offers were termed by Tami sources as meagre and condescending.

The Alignment had offered Tami two "safe seats" for the next Knesset and a cabinet seat without portfolio (Continued on Page 2, Col. 7)

Dubai sends Sikh hijackers back to India to face trial

DUBAI, U.A.E. (AP) - Seven Sikh militants who nine days ago hijacked an Indian airlines plane to this emirate were sent home to face trial yesterday after the U.S. turned down their appeal for political asylum.

Their return was announced in an official statement issued by the United Arab Emirates.

The official Emirates news agency quoted an authoritative source as saying the U.S. promised the U.A.E. authorities it would "urge the Indian government not to mistreat the hijackers or endanger their lives in any way."

It said India, in turn, also promised the U.A.E. it will "guarantee their safety."

Ramesh Ghandary, India's Under-Secretary for Foreign Affairs who had been negotiating the extradition of the hijackers with the U.A.E., told reporters at Dubai airport that the hijackers "will be put on trial."

It will be the first time that hijackers are tried in India, he said, adding that "there is no death penalty for hijackers in India."

The hijackers surrendered on August 25 and freed the last 74 hostages aboard the Indian airlines plane after a promise by the U.A.E. to help them go to the U.S.

The youths commandeered the Indian Airlines aircraft on August 24 shortly after take off from... Delhi on a domestic flight to Singapore.

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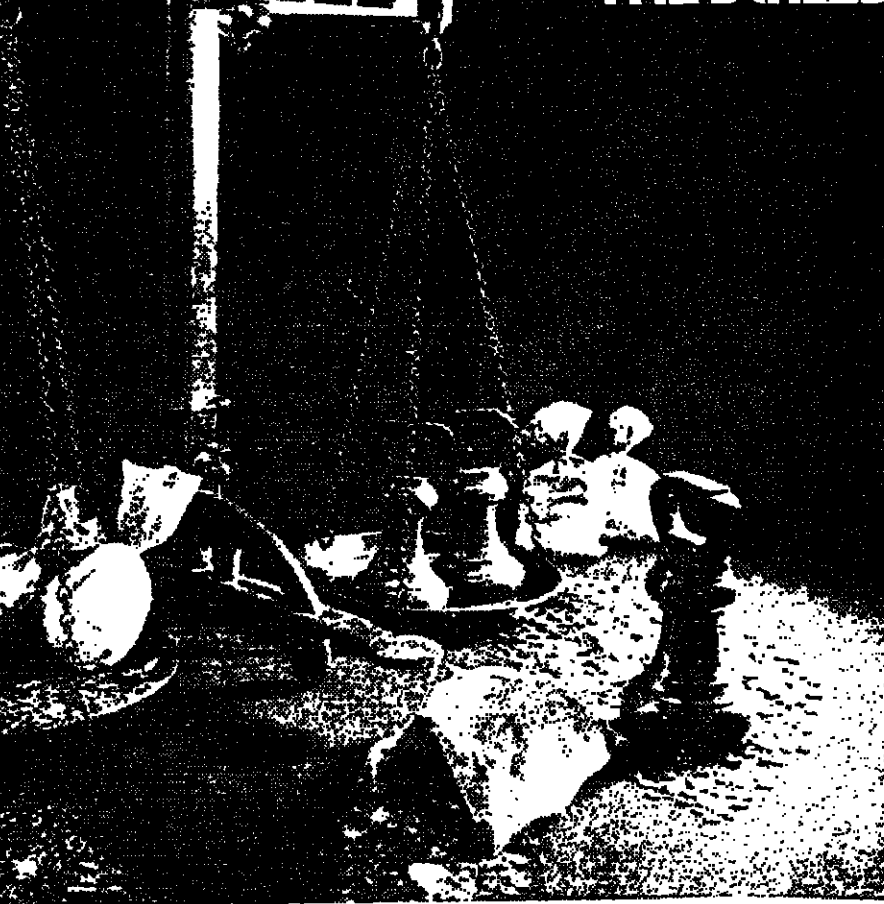
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THE WEATHER			
	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	46	17-28	29
Qom	43	17-30	30
Nahariya	43	17-30	30
Safed	40	17-29	30
Tiberias	41	24-28	29
Nazareth	43	21-35	35
Afula	43	20-30	33
Shomron	49	20-31	32
Tel Aviv	60	22-29	30
B-G Airport	56	21-30	31
Jericho	49	24-38	38
Gaza	62	22-28	28
Beersheva	42	23-32	33
Eilat	8	29-39	40

SOCIAL & PERSONAL

Ruth Popkin was last week elected 18th president of Hadassah, the Women's Zionist Organization of America, at Hadassah's annual convention in San Francisco. She succeeds Freda Lewis.

The South African Zionist Federation is tomorrow holding an evening of songs and a lecture on the "Blindness and Hope of the Jews of Ethiopia" at Moadon Haaleh, 9 Alkalai Street, Jerusalem, at 8:30 p.m.

ARRIVALS

Minister without Portfolio Sara Doron, from Johannesburg, where she addressed rallies under the auspices of the South African Zionist Federation.

Service for Jemayel

A memorial service for Pierre Jemayel, the founder of Lebanon's Christian Phalange Party and President of Al Kataeb, the present leader of the Maronite community in the Old City of Jerusalem, was held yesterday at the Maronite Church in the Old City of Jerusalem, Beth Mar Maroun. Organized by Pierre Yazbek, Director of the Lebanese Christian Agency in Jerusalem, the memorial service was attended by several dozen Israeli dignitaries.

Among those attending were David Kimche, director-general of the Foreign Ministry; Shulamit Nardi, representing President Chaim Herzog; Avi Pazner, representing Prime Minister Yitzhak Shamir; Rafael Levy, the Jerusalem district representative; Daniel Rossing, director of the Christian Communities Department of the Religious Affairs Ministry; Shmuel Ovat, representing Mayor Teddy Kollek; and Mordechai Dolinsky, director of the Government Press Office. The participants at the ceremony signed a condolence book.

New world record set

Hoersholm, Denmark (AP) - Svetlana Yakoleva of the Soviet Union set a new world record yesterday of 5,481 point overall to win the 4th women's modern pentathlon world championships.

Will JACOB, who served in the Jewish Brigade in D.P. CAMP LANDSBERG in 1945, contact Dr. Hes. Tel. 03-474415

HOME AND WORLD NEWS

Monday, September 3, 1984 The Jerusalem Post Page Two

Labour doves angry at Peres over Hillel

Post Knesset Correspondent
Suspicion in the Labour Party that party leader Shimon Peres may have practised double-dealing with regard to the Knesset Speakership has prompted a number of Labour Knesset Members normally sympathetic to Abba Eban not to back him for Knesset Speaker but to back Shlomo Hillel instead.

This is because Peres has created the impression that after he backed Hillel as Labour's candidate for Speaker, he encouraged Eban to stand against Hillel in Labour's internal runoff, because he felt Eban deserved compensation for not getting a cabinet post.

Thirteen Labour MKs signed a letter putting forward Hillel's name for the vote due to take place in the Alignment Knesset faction this afternoon. They include doves like Michael Harish, Dov Ben-Meir, Nava Arad, Aharon Harel, Shevah Weiss and Simha Dinitz. Hillel is one of the party's foremost hawks.

Labour's superdove, Yosef Sarid, who is about to wing his way out of Labour, it seems, approached Hillel yesterday and told him: "You can quote me to anyone you wish, that although I am close to Eban, and would normally consider him a good man for Knesset Speaker, I shall not vote for him this time."

Sarid said: "I think this maneuver involving you is nothing but a dirty trick."

Circles close to Hillel told *The Jerusalem Post* last night that Hillel twice phoned Peres and asked him to issue a denial that he had asked Eban to stand for the speakership, but Peres dodged Hillel. The circles said: "Peres let Hillel down twice in 24 hours."



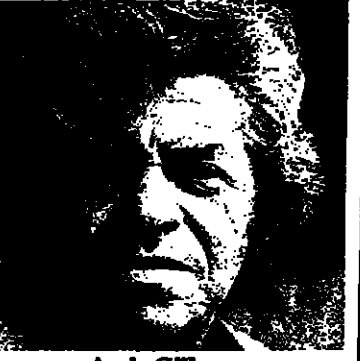
A young Asian lion gets acquainted with his new temporary home in the Jerusalem Biblical Zoo after arriving on Sunday with three others - a brother lion and two lionesses - from the San Diego zoo in California. After a period of adjustment, the lions, all one year old, will be moved to the Yotvata nature reserve. Asian lions were native to this country until they were wiped out by the Crusaders in the 12th century. (Rahamim Israeli)

Poet Amir Gilboa dies at age 70

Jerusalem Post Reporter
TEL AVIV. - Award-winning poet Amir Gilboa died of a heart ailment at Beilinson Hospital here yesterday. He was 70.

Gilboa came to Eretz Yisrael from his native Poland in the 1930s and during World War II served in the Jewish Brigade in the British Army. Much of his work deals with the Holocaust. He was awarded the Israel Prize, the Brenner Prize, the Bialik Prize and the Sholomsky Prize.

Most recently he was informed that he had won the Newman Prize for Hebrew Literature given by New York University.



Amir Gilboa

David Raveh, winner of defence prize, dies

LOD (Itim). - David Raveh, a recipient of the Israel Defence Prize was buried yesterday in the Holon cemetery after dying of a heart attack on Saturday at the age of 55.

A former Israel Defence Forces colonel, he received the prize in 1978 for his contribution to the development of military communications systems. After getting the prize, he joined the scientific staff of the Telrad communications company in Lod.

Chile gives boost to Jewish studies

SANTIAGO Chile (UTA). - Under a new law enacted here, parents of pupils at secondary schools are entitled to demand that the school administration makes provision for the establishment of Jewish religious classes, the World Jewish Congress reported yesterday.

The decree was signed by the president of the republic and the Minister of Education. The program seeks to apply the concepts of Jewish Ethics, morality and philosophy in daily life.

Kalandiya camp wall torn down and restored

RAMALLAH (Itim). - The Israel Defence Forces yesterday rebuilt a wall that blocks the entrance to the Kalandiya refugee camp on the Jerusalem-Ramallah road. The wall was torn down on Saturday by unknown persons using a stolen tractor.

The security authorities built the wall to prevent stones from being thrown from the camp at passing vehicles. The police have arrested a number of suspects.

U.S. marine denies charge of rape

HAIFA (Itim). - A U.S. marine, Johnny Haygood, 20, yesterday denied charges of rape when his trial began in the Haifa District Court.

The charge sheet says that on the night of June 26, Haygood let himself down by rope from the roof of a house in the Central Carmel into a six-story flat of an 88-year-old woman, pulled off his clothes, and broke into the flat of a 77-year-old woman on the same story whom he raped.

He was caught after a neighbour who heard screams called the police.

New director named for accident unit

Jerusalem Post Reporter
TEL AVIV. - Deputy commander of the Southern District Police Nit-zav Shmuel Bouglar is shortly to take up his new post of head of the National Council for the Prevention of Road Accidents.

For 11 years Bouglar was head of the traffic department at National Police Headquarters where he worked closely with the council.

Umm al-Fahm holding 'open house' on Saturday

UMM AL-FAHM (Itim). - Umm al-Fahm will hold open house on Saturday for all Jews who joined villagers in demonstrating against Knesset Member Meir Kahane last Wednesday. Visitors have been asked to go to the council building at 1 p.m., where they will be invited to be the guests of village families. (See page 3 story)

Blum lauds ties with U.S.

UNITED NATIONS (AP). - Yehuda Blum, Israel's beleaguered UN ambassador for the last six years, said on Friday that he is leaving the job happy that relations with the U.S. "couldn't be better."

Disappointed over western European "timidity" and saddened by the "lack of civility" he found here, Friday, his last official working day, was spent in his familiar role as Israel's defender in the UN Security Council, where Lebanon complained about new restrictions imposed in the south of that country.

"This is the forum where we have to fight back," he said, in an interview. "It doesn't even occur to me that we should voluntarily withdraw."

"Our Arab adversaries would like nothing better than to see us either expelled from the UN or withdraw voluntarily from it in order to highlight what they consider to be Israel's 'pariah' status within the international community. There is absolutely no reason why we should oblige them," he said.

Despite the ups and downs in U.S.-Israeli relations here and elsewhere, Blum said, "I leave with a profound sense of satisfaction over the 'bilateral' relations between the two countries... These relations couldn't be better."

Expressing disappointment over the extent of western European support here, Blum said: "They have behaved on the whole rather timidly at the UN."

When "anti-Semitism comes into play" in UN debates, he said, only the U.S. joins Israel in protesting.

Blum, 52, was a professor of international law before being appointed UN envoy by former prime minister Menachem Begin. His successor at the UN has not been named.

Blum said that in August the public's demand for foreign currency was more moderate than in July. But the government repaid large sums to the U.S. government, a factor that explained the drop in reserves.

Bank officials told *The Jerusalem Post* that during August the public spent a large proportion of the sums injected by the government on short term shekel deposits, mainly in *pakam* accounts - deposits for one or two weeks. The public now holds very large sums of money in a waiting position. If a run on the dollar should develop again in the coming months, these short term deposits could be realized and used to buy foreign currency.

Officials at the bank said yesterday that in August, unlike July, no bookkeeping device was used to cover up the fall in the reserves level. They also hinted that the government had not taken short term loans abroad to conceal part of the foreign currency drain.

Reacting to yesterday's figures, the Treasury stressed the urgent need for the implementation of an economic recovery programme.

Ministry Director-General Nissim Baruch said that the country's most pressing problem is the balance of payments, and that the reserves figures are only a symptom of this problem. A full economic programme to deal with all the problems facing the economy is the best solution to the current problems, Baruch stressed.

According to the Treasury, the monetary injection in August was caused by a huge redemption of government bonds, to the tune of some IS\$43b. This was accompanied by the printing of some IS\$8.4b. to finance government purchases of goods and services, including payment of wages.

The rest of the injection went on the payment of subsidies for credits for exporters, and to pay back the compulsory defence loan to the public.

Explaining the fall in tax revenue, the Treasury pointed out that most of it was caused by a drop of some 40 per cent from July in taxes collected on imports of consumer durables. The ministry added that income-tax collection had increased by some 5 per cent over July.

Nevertheless, the ministry admitted that tax collection was still very low as compared to its levels in 1983.

PERES-SHAMIR

(Continued from Page One)
ment to decide. Shamir replied that he would give him an answer later - apparently today.

No further meeting was set by the two, but they decided to maintain contact with each other.

Shamir and Peres themselves told the press after their meeting in Jerusalem earlier in the evening that they would make "another effort" to resolve their "weighty differences." They would be in contact with each other, they said, "within the next few days."

Labour sources accused Shamir of backing away from an earlier accord with Peres under pressure from certain of his ministers, in particular Deputy Premier David Levy and Minister without Portfolio Ariel Sharon. The premier held a tough meeting with Likud ministers before his session with Peres.

Shamir denied that there was pressure, but he did not deny that there had been handwritten documents summing up his meeting with Peres last Wednesday. It was at that meeting, according to Peres, that the two men reached agreement on a 50-month unity government with a biennially rotating premiership and the Defence Ministry to be held by Labour.

"There are various documents," Shamir said. "But there is no point in dealing with them now."

Asked specifically if there had been an agreement on rotation on

Wednesday "or merely ideas," the premier answered vaguely that "we are negotiating on a set of issues... We talked about the same issues today. There is no need to separate one issue from another. For the moment, we have not found a way to overcome all the problems."

Shamir told the press after his two-hour meeting with Peres that their differences were both "personal," a reference to the premiership and other portfolios, and "ideological," a reference to the dispute over West Bank settlements decided on by the outgoing government but not yet built.

Peres, smiling but pale, merely read to reporters the agreed statement about "weighty differences" and declined to elaborate.

When a journalist said: "There's one question we asked Shamir and we must ask you: Did you have an agreement last week?" Peres quipped back, "What did Shamir answer you?"

Shamir, for his part carefully sidestepped an invitation from a journalist to lay the blame for the deadlock on Labour. "I don't blame anyone," he said. "I am still firmly committed to the goal of achieving a unity government."

Asked if the one-year rotation idea had come up, Shamir replied blandly: "There were various ideas that we spoke about."

Political observers believe Defence Minister Moshe Arens's position could be crucial as the Likud evolves its final stand on rotation and on the Defence Ministry. Until now Arens has been one of the most ardent and consistent advocates of the unity option among senior Likud policymakers.

Arens himself last night denied an Israel Television news report of the Likud ministers' meeting yesterday that had him hotly opposing Labour's holding the premiership for the first term of rotation and also holding the Defence Ministry.

"I was completely misrepresented," Arens told *The Jerusalem Post*.

He would not divulge his specific position at the meeting, but said: "I haven't changed my views (on unity) at all."

Red Cross visits three Israeli PoWs

Jerusalem Post Staff
Red Cross representatives last week visited three Israeli soldiers held by the Popular Front for the Liberation of Palestine-General Command and found them in good condition, Reuters news agency reported yesterday.

The three prisoners were the only

Israelis not included in prisoner changes in November and June.

Red Cross officials met the held by rebel Palestinian Ahmed Jibril, in Damascus.

The prisoners - Yosef Grol, Shai and Nissim Salem - were taken in Lebanon in 1982.

Threats force Gashash cancellation

By MENAHEM HOROWITZ
Jerusalem Post Reporter
TIBERIAS. - Threats of harm from alleged Likud supporters against the Gashash Hahiver troupe have caused the comedy trio to cancel a Gashash appearance.

The comedians had agreed to appear at tonight's opening of a new restaurant at the Plaza Hotel here. But the hotel received telephone calls from several purported Likud supporters enraged that the Gashash were to appear in Tiberias, a Likud stronghold, after working for the Alignment election campaign. The callers threatened to harm the trio if they appeared, so they cancelled.

Plaza manager Yoram Grossner told *The Jerusalem Post* that the new restaurant, the Tveria Capeterna, was named after a Gashash sketch, and that the trio had willingly agreed to appear at the opening. Many special preparations had been made for their visit.

Grossner yesterday appealed to the Gashash to appear tonight anyway, promising that the hotel security staff and the local police would ensure their safety. It is still uncertain whether the group will appear.

LIKUD

(Continued from Page One)
Arens should continue at defence.

Although the Likud ministers took no firm decisions, they suggested to Shamir that he tell Peres that the Alignment would have to make bigger concessions, with regard either to the number of portfolios, or to the order of rotation of the premiership, or to the proposal for defence minister.

The Post's conversations with various Likud ministers left the impression that the Likud did not quite know what it wanted from the Alignment but insisted on getting some compensatory concessions.

The ferment in the Likud stems largely from the fact that Herut will get only four portfolios instead of eight and the Liberals three instead of six, while even the Likud portfolios like Treasury and Foreign Affairs seem like the leftovers anyway.

None of the Likud ministers queried by *The Post* suggested that the stress would now shift to early elections, or to a narrow Likud-led coalition.

TAMI

(Continued from Page One)
in a national unity government, according to Tami sources.

Following the progress of the national unity talks, the Alignment apparently added several proposals.

"But it might just be too late for the Alignment," a senior Tami source said yesterday. "It's not that we're against them, it's just that we're negotiating with the Likud right now and are awaiting their answer."

The Likud offered Tami three or even four "safe seats" for the Knesset, a senior cabinet post at the expense of the Likud's quota in a national unity government and full partnership in the government.

However, the source noted that the Likud delays its answer too long. Tami might still swing back towards the Alignment.

"If the Likud doesn't give us a final answer in time, things might change," he said.

Tami is also demanding that issues such as employment in development towns and certain religious matters be given high priority.

United Israel Appeal
Keren Hayesod
Records with profound sorrow the passing of
BERNARD M. BLOOMFIELD
His devotion has earned him everlasting memory.
We extend heartfelt condolences to his wife, Neri,
the children and all the members of the bereaved family.
Dr. Avraham Avi-hai
World Chairman

The Hadassah-Wizo Organization of Canada
shares in the grief of
Mrs. NERI BLOOMFIELD
Honorary President of the
Hadassah-Wizo Organization of Canada
on the loss of her beloved husband
BERNARD M. BLOOMFIELD
Cecily Peters
National President

The World Wizo Executive
mourns the passing of
BERNARD BLOOMFIELD
great philanthropist and supporter of Israel
and extends condolences to his wife:
NERI BLOOMFIELD
Honorary President of Hadassah-Wizo Canada and
President of the Canadian Zionist Federation

Hadassah-Wizo - Canada Research Institute
Deitcher Centre and Besner Foundation
are deeply grieved at the loss of a great benefactor and a dear friend
BERNARD BLOOMFIELD
(Montreal)
and join MRS. NERI BLOOMFIELD AND FAMILY in their sorrow.
Rauven Feuerstein Shimon Tuchman
David Kraslovsky Yacov Rand

deeply mourns the passing of
BERNARD M. BLOOMFIELD
dear friend, committed supporter, and Honorary Fellow of the University
We extend sincerest condolences to his wife NERI and entire family on this
great loss.
May the family of the deceased be comforted amongst the
other mourners of Zion and Jerusalem.

RECHA KUGELMANN
(our Oma Recha)
passed away peacefully after long suffering on August 31 - Elul 3.
She will be sadly missed.
Her Family

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רשות שדות התעופה בישראל
Israel Airports Authority
Notice to the Public
Rafiah, Nitzana and Tabat
Frontier Crossing Stations
Due to the Id el-Adha holiday, the border crossing stations between Israel and Egypt will be open on Tuesday, September 4, 1984, holiday eve, until 11.30 a.m. On September 4, 1984, only the Tabat station will be open all day.
On Wednesday, September 5, 1984, Id el-Adha, all the stations will be closed.

Express mail service launched

By JUDY SIEGEL
Jerusalem Post Reporter

A fleet of vehicles marked with blue-and-orange letters yesterday inaugurated the Communications Ministry's express mail service inside the country. Mail brought to one of 28 postal branches before 10 a.m. will reach the addressee by 5 p.m. the same day, or your money will be refunded.

The express service is meant to serve those — mostly commercial interests — who depend on rapid delivery and who have in recent years used the services of private entrepreneurs in cars or on motorcycles. But ministry Director-General Zvi Zilker, introducing the new service at a news conference in Jerusalem yesterday, says it will be much cheaper than these private services.

A letter or package weighing up to one kilogram costs IS450 for express delivery if brought to one of 28 postal branches in the main towns before 10 a.m. From 10 to 15 kilograms, the cost is IS880. If delivery is

to the addressee rather than to the post office nearest him, the cost is IS710 for a letter or package up to one kilogram.

If the mail is brought to the branch after 10 a.m., delivery will be guaranteed by 10 a.m. the next day, Zilker said.

He told reporters that this was not a "mail service for the rich" as opposed to the current mail system. Instead, he declared, it was the provision of an additional choice to consumers who decide to pay more for more rapid service. Telephones and facsimile services are the quickest ways to transmit information. The express mail service is next, with the regular mail delivery the slowest.

Those needing quick delivery in places not yet included in the new operation will have to continue to use the private service. However, according to postal-services director Eitan Lachman, 16 places will be added in a few weeks.

Lachman said that the letters and parcels will not be insured by the

ministry, but that if they don't reach their destination on time, you may receive a refund.

Forty-four slots were added to the postal services, and some 20 workers received an increase in salary grades in partial compensation for increased responsibility, said Zilker.

The cost of the service will go up on the 16th of every month, linked to the Cost-of-Living index. Thus, unlike the regular mail services, where there is nearly 100 per cent subsidization, the express service will make some profit.

People who want door-to-door service pay extra, with an additional monthly subscribers' fee.

The express mail service to the U.S. has been operating for several months with considerable success, according to the ministry. A package up to half a kilogram costs IS7,760 for delivery anywhere in the U.S., with higher prices for heavier packages. A one-way express service to England also exists.



Alexander Kholmyansky
Moscow Hebrew teacher faces camp sentence

By JUDY SIEGEL
Jerusalem Post Reporter

A Jewish electronics engineer who teaches Hebrew in Moscow has been charged with "hoologanism," after falsely confessing to taking a letter out of a public mail box. Furthermore, a German-made pistol apparently planted in his apartment could lead to a very severe sentence, according to an Israeli who has just returned from a month in the Soviet Union.

Alexander (Ephraim) Kholmyansky, 34, who is unmarried and lives with his parents, applied for an emigrant visa to Israel in 1978 and was refused on the grounds that he allegedly had access to "secrets" at his work assembling TV and radio transistors.

During a vacation in Estonia with Jewish friends in July, one of the young women who had posted a letter home regretted what she had written, and asked her friends to help her retrieve the letter from the mail box. They were caught in the act.

Kholmyansky, who had not taken part in the extortion, took the blame upon himself and was arrested. He was charged with "hoologanism" and could face three years in labour camps.

Searches were also made in the homes of Kholmyansky's friends, including Vitaly Drakarev (from whom Hebrew books were confiscated) and Yosef and Tania Edelstein (at whose home tobacco was found and claimed by the authorities as evidence that they were involved in drug).

According to the Israeli source, Soviet Jews believe that no matter whether they are active in the struggle for aliya and study Hebrew or not, the Soviet authorities feel free to arrest them. They compare today's atmosphere of fear and repression to that in Stalinist times.

The visitor noted an increasing desire among those Soviet Jews who want to emigrate to settle in Israel rather than in the U.S. According to this source, many Russian Jews, who heard about anti-Semitic remarks by Democrat Jesse Jackson and his supporter Louis Farrakhan, worry about increased anti-Semitism in the U.S.

Meanwhile, World Wizo president Raya Jaglom attacked the Soviet Union at last week's meeting in Geneva of a UN sub-committee on the elimination of intolerance and discrimination based on religion or belief.

She slammed the Soviet authorities' covert ban on Jews' teaching or studying Hebrew, and also pointed to the sharp decrease, as a result of official pressure, in the number of functioning synagogues.

Police deny 'picking on' Umm al-Fahm villagers

By ROBERT ROSENBERG
Jerusalem Post Reporter

Some 25 Umm al-Fahm residents have been remanded into police custody since Knesset Member Meir Kahane tried to visit their village last Wednesday, but Inspector-General Ray-Nitzav Arye Ivtsan says that the police are not "picking on" the residents of the village.

A Hadera magistrate yesterday ordered into police custody for between seven and 10 days another 15 of the mostly teenage suspects from the stonethrowing incidents that occurred during the waiting for Kahane. The five Jews arrested were all released over the weekend.

Meanwhile, in response to a telegram sent to him by Progressive List for Peace MK Mati Peled, Ivtsan said that "there is no basis for the charge that the police are picking on the residents of Umm al-Fahm."

The police are investigating the events that took place there (the stonethrowing that injured a dozen police officers and resulted in the arrests of some 45 residents), and in the course of that investigation — and only as a result of that investigation — arrests are being made," he wrote in a telegram to Peled.

Peled had charged that the police were harassing the villagers.

In another development, the Masorti (Conservative) Movement charged there was police brutality during the events at Umm al-Fahm, citing in a statement to the press the account of Rabbi Jeremy Milgrom, who alleged that while he was trying to prevent violence and bloodshed at the village, the police had beaten him and then arrested him when he tried to register a formal complaint.

National Police Headquarters sources have confirmed that there is an internal investigation underway to determine whether there was any police foul play at the scene.

Dry water faucets threaten 250 moshavim

TEL AVIV. — Yesterday's meeting between representatives of the Mekorot water company and the moshav movement failed to lift Mekorot's threat to cut off water supplies to about 250 farming settlements, Mekorot general manager Ze'ev Ashkenazi said.

The Moshav Movement's two secretaries, Amos Hadar and Knesset Member Ephraim Shalom, told the meeting that the farmers are having trouble paying their debts, because in the past two years Mekorot has cut its credits to farmers from 120 days to 30 days.

They added that if the government paid its IS1.5 billion debt to Mekorot and instructed the Electric Corporation not to cut its credit to Mekorot, then Mekorot could extend enough credit to farmers to enable them to pay their debts.

Lights out as councils fail to pay electric bills

Jerusalem Post Reporter
HAIFA. — The Electric Corporation continued blacking out local authorities yesterday to press them to pay their debts.

The IEC spokesman announced that the company, had cut off power to the offices of the Upper Nazareth and Beit She'an local councils because they had not responded to repeated demands to settle their bills. The two councils are reported to owe IS2 million each during the summer months.

No violence at Vulcan foundry

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — The 65-Vulcan foundry workers who received dismissal notices Thursday night turned up for work yesterday on the Haifa Labour Council's instructions, but there was no clash at the plant's gates, as happened Friday.

On Friday, hired guards kept the dismissed men out, resulting in a fist-fight. Yesterday, no guards were in evidence, and the fired workers did not attempt to enter the plant.

The labour council announced yesterday that it unequivocally supports the workers and demands their immediate reinstatement. The workers will report at the factory every day, and the council will insist on full pay for them because it does not recognize the dismissals, it said.

Vulcan sold an 80 per cent share to the Oрдan Company recently, following years of heavy losses due to overstaffing and outdated of its production lines. Oрдan made the purchase conditional on a recovery scheme that called for trimming the labour force from 380 to about 250 men.

Terror suspects ask to defend selves

Jerusalem District Court Judge Ya'acov Bazak yesterday held a preliminary hearing in his chambers of a request by seven accused members of the alleged Jewish terrorist underground to fire their attorneys and to represent themselves.

The accused, who appeared with several of their attorneys, told Bazak they felt they could represent themselves better, since their arguments go beyond mere questions of law. They also contended that they already have been tried in the news media.

Bazak cautioned the accused that some of the crimes with which they are charged are punishable by up to 10 years' imprisonment, and that in such cases it is mandatory they be defended by attorneys. If the accused decide to fire their original attorneys, Bazak said, the court would appoint other ones.

There is no guarantee the accused can represent themselves in a satisfactory manner, said the judge.

Another hearing was set for this Friday, when the accused are to announce their decision on whether to retain their counsel. (Itim)

Settlement recognized by Interior Ministry

The Interior Ministry yesterday recognized Kfar Havradim, near Ma'alot, as a locality, and registered it on the list of Israeli settlements.

In two weeks there will be a moving-in ceremony at Kfar Havradim during which registration for the settlement's school will begin. So far 145 families have begun building homes in the town, with 39 of them now nearing completion. (Itim)

S.O.S. — Ramat Gan has established "distress centres" in 120 schools and kindergartens, to which pupils can turn in the event of discovering suspicious objects, sustaining injury, or regarding any other incident or problem.

Controversial sub judice law came into effect yesterday

By DAVID MANDEL
Jerusalem Post Reporter

The controversial sub judice law, which forbids publication of anything that could influence the proceedings or outcome of a trial, took effect yesterday. It applies from the moment a suspect is first brought before a judge for a remand hearing.

The amendment was passed by the 10th Knesset with little debate in one of its last pre-election sessions and with very few Knesset members present. It is included in a consolidated version of the Courts Law approved several weeks ago by the outgoing Knesset Law committee.

Complementing the new Basic Law: the Judiciary, which also takes effect today, the updated Courts Law incorporates various amendments to the previous version, dating from 1957.

Section 41 of the old law, which mandates a one-year prison term and a fine for persons who publish material that could prejudice a pending trial, has long been a sore point for journalists. They argue that it improperly limits the public's right

to know. Many jurists, on the other hand, reply that the sub judice rule is necessary to protect the privacy and reputation of possibly innocent persons. The law, they point out, absolves from guilt the publication in good faith of anything that occurs or is said in open court. In a recent case, the Supreme Court further interpreted the escape clause as also referring to a journalist who honestly believed that a court case was completed when it had not been, in fact.

Also taking effect today are sections of the law:

- empowering a judge to ban publication of a suspect's name before charges are filed if publication could harm an investigation in progress;
- empowering the judges' appointment committee to compel judges to retire;
- enabling the correction of errors in court decisions or judgements;
- and a list enlarging the list of offences that may be tried before a magistrates court as well as a district court.

Tel Aviv says it can't pay its workers

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — City Hall will not be able to pay its employees their August wages, due on September 8, because the government has failed to forward the funds it owes the city.

Mayor Shlomo Lahat and Municipal Treasurer Yitzhak Elron told the municipal executive last night.

The Interior Ministry spokesman, however, said that the funds owed to the municipality have all been paid, and if City Hall has mishandled the money, that is its problem.

The sum needed to pay the workers' salaries comes to about IS1.5 billion. Until recently the city has

been borrowing funds for wages from banks, but the banks have been instructed not to lend the cities any more.

Shmueli: 'Treasury must give funds for Perah'

Jerusalem Post Reporter

"I cannot imagine the Finance Ministry will refuse to release funds for the Perah project, because it is one of our most successful educational projects," Education Ministry Director-General Eliezer Shmueli has said.

Last week, Education Minister Zevulun Hammer told a news conference that the project had been frozen for lack of funds.

As part of the Perah scheme, university students and faculty members give private tutoring to pupils needing help.

Last week's news conference was disrupted by a group of students protesting against the discontinuation of the scheme. University students participating in the scheme get a reduction in their tuition fees.

Knesset Members Matityahu Peled and Ahmed Miar of the Progressive List for Peace have asked for an urgent Knesset debate on "the abolition of the Perah project."

Beduin village's water supply system damaged

NAZARETH (Itim). — Damage estimated at hundreds of thousands of shekels was caused last week to the water supply system of the Beduin village of Zarzir in the Jezreel Valley, about nine kilometres northwest of Nazareth. Still unidentified persons smashed the water system's control panel.

Observers believe the damage was caused by village residents in the wake of a dispute over a plan to unite the village's five water societies.

TOURISM. — There has been a 50 per cent increase in the number of tourists from South Africa in the past three years, the Tourism Ministry announced. To help keep things moving, the South African Tourism Board is photographing a series of fashion posters set against Israeli scenes, for distribution throughout South Africa.

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deeply mourns the untimely passing of

Dr. ALLEN SMALL

beloved husband of our Honorary President

MRS. MIRIAL SMALL

and shares in the grief of the family.

Cecily Peters
National President

The World Wizo Executive
mourn with their colleague
MIRIAL SMALL

Honorary President of Hadassah-Wizo Canada
on the passing of her dear husband

Dr. ALLEN SMALL

and extend heartfelt condolences to the entire family.

Hadassah-Wizo — Canada Research Institute,
Deitcher Centre and Besner Foundation
are deeply grieved at the loss of a wonderful person
and a good friend

Dr. ALLEN SMALL

(Toronto)

and join Mrs. Mirial Small and Family, in their sorrow.

Raouven Feuerstein Shimron Tuchman
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Chernenko ready for serious talks with U.S.

MOSCOW (Reuters). - Soviet President Konstantin Chernenko, in his first major statement for over seven weeks, has accused the Reagan administration of losing its sense of reality and said Moscow is ready for "serious" talks.

In an interview with the official daily *Pravda* yesterday, Chernenko said a U.S. agreement to a moratorium on testing space weapons could be a step towards movement on other arms issues over which the superpowers are currently stalemated.

"Such an agreement would not only prevent an arms race in space but, what is no less important, would facilitate the solution of questions of limiting and reducing other strategic arms. I would like to emphasize that," he said.

A U.S. State Department spokesman responded to Chernenko's remarks on Saturday night, after they were distributed in advance by the Tass news agency, by saying Washington was ready to take part in a broad range of disarmament talks.

"We too are ready for what he calls honest and serious negotiations," the spokesman said.

He said: "The United States is correcting the imbalances in the East-West military equation that the Soviet Union has opened up in recent years and is seeking and will continue to seek more stable and constructive relations with the Soviet Union through negotiations."

The Chernenko interview coincided with increased speculation about the health of the Soviet president, who has not been seen in newspaper photographs or on television since leaving Moscow for a vacation on July 15.

Chernenko has made only two relatively minor public statements, published in the official press, since the vacation break following a hectic five months of top-level diplomatic meetings.

Western diplomats said the *Pravda* interview could be intended to show him as back at work in the Kremlin although this has not been announced officially in the same way as was his departure for vacation.

Similar interviews with late president Yuri Andropov were published in the months between his disappearance from public view last summer and death in February.

Honecker avoids issue of W. German visit

LEIPZIG, East Germany (Reuters). - East German leader Erich Honecker sidestepped any comment yesterday on whether he would visit the German Democratic Republic later this month, making an unusually short stop at a West German stand at the Leipzig Trade Fair.

GFR officials, looking for some hint during Honecker's opening tour of the fair as to whether the planned visit would take place, were surprised by the brevity of his appearance.

Honecker left the BASF chemical company exhibition only two minutes after being greeted by the head of Bonn's mission to the German Democratic Republic, Hans-Otto Brautigam.

In Bonn, a government spokesman said there was no reason to draw conclusions from Honecker's short stop at the stand.

Honecker only nodded to Brautigam and limited comments to other West German officials to economic matters. He then walked away without entering the pavilion, appearing not to have heard a reporter asking if he intended to visit the GFR.

GFR Chancellor Helmut Kohl yesterday reaffirmed the need for close ties with the GDR and rejected Soviet charges that his government is trying to undermine the post-war order in Europe.

"Both (German states) can make a decisive and profitable contribution to stability in Europe," Kohl said in a speech to the League of German Expelled from former territories after Germany's defeat in World War II.

In a series of fierce press attacks, Moscow has accused Bonn of fanning what it called "revanchist" attempts by the League and other groups to re-unify Germany within 1937 borders that took in areas which now are part of the Soviet Union and Poland.

Meanwhile, Polish Communist Party leader Wojciech Jaruzelski has used the 45th anniversary of Germany's invasion of Poland to unleash a broad attack on the West and stress the country's Soviet alliance.

Jaruzelski also warned Solidarity trade union activists that the government would deal sharply with continued dissent after granting a political amnesty to the opposition.

Jaruzelski's main targets were the U.S. and West Germany but he also criticized France and Britain whom he accused of betraying Poland in 1939.

In contrast, he said the Soviet Union was "the main guarantor of Poland's borders, our most important political partner both today and tomorrow."

Over 150 dead in rains, typhoon

SEOUL (Reuters). - More than 100 persons were feared dead yesterday as South Korea struggled to recover from three days of torrential rain, floods and landslides.

In the Philippines, a powerful 185-kph typhoon pounded provinces south of Manila leaving 51 dead, more than 300 injured and thousands homeless.

Tens of thousands of Korean soldiers, policemen and villagers bludgeoned through mud, water and sludge in rescue and repair operations and officials said the known death toll in flood-stricken northern areas had risen to 65.

Relief officials said 42 other persons were feared dead and at least 49 injured.

Storm warnings were lifted in most areas, but the Han River, which flows through Seoul, threatened to burst its banks.

The Seoul police evacuated more than 50,000 persons living near the river and closed three road bridges.

In the Philippines, typhoon "Ike" sank 10 small boats, and the Red Cross reported more than 6,000 houses destroyed. The typhoon battered the Visayas and Mindanao regions, swamping coastal regions with huge waves.

The typhoon was the second major storm in a week to hit the Philippines. Tropical storm June killed at least 53 persons.



Two bikers grieve over the body of a dead comrade following a gun battle between rival gangs at a hotel in suburban Sydney. (UPI telephoto)

7 killed when rival gangs fight each other in Sydney

SYDNEY (AP). - Six men and a 14-year-old girl were killed yesterday and 20 other injured when two rival motorcycle gangs attacked each other with guns and knives in a carpark packed with hundreds of people.

At least seven of the wounded had been shot and two were in critical condition after the bloody fighting erupted at a barbecue and meeting to exchange motorcycle parts on a family day.

The police said members of the rival gangs, known as "Bikies," suddenly began attacking each other with guns, knives, baseball bats, spanners, chains and machetes at terrified bystanders, including children, scrambled for cover.

"We were too busy grabbing kids and running for our lives to look at what was going on," said a witness, who like many others did not want to be named.

A distraught man at the scene said it was "like slaughter."

Some 500 people, including more than 200 members from at least five gangs, were at the exchange meeting when fighting erupted. The fighting was between about four men armed with rifles and shotguns and another 30 or so with pistols, knives and other weapons.

Scores of heavily armed policemen and special squads of police marksmen were rushed to the area to restore order. Police commanders said they were concerned about the risk of new fighting if gang members sought revenge.

Several persons were taken into custody for questioning, but police said no one had been charged by late last night.

Iraq says it can strangle Iran oil exports 'at will'

MANAMA, Bahrain (AP). - Iraq's Air Force commander was quoted yesterday as saying that his country has laid down a contingency plan to choke off all of Iran's crude oil export outlets and destroy its key terminal at Kharg Island "at any time it chooses."

The commander boasted that his country, by importing "the latest arms from various states," has reached a stage where its air force could rush to the defence of other Arab states who might need help without affecting its balance of power with Iran.

Iraq has declared an air and sea blockade around Kharg Island in the northern part of the oil-rich Gulf, since late February. Its air force and navy have attacked and damaged several merchant vessels plying Kharg, and Iran has retaliated with air raids on similar ships sailing to or from other oil ports in neighbouring Arab Gulf states.

The Iraqi air force commander's statements came a day after the publication of a report in a Manama-based newspaper that Iran has temporarily closed its oil export facilities at Kharg for repairs in the wake of damage caused by Iraqi air attacks and that they would reopen September 10.

Iranian oil officials have reportedly denied the report.

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TRAVEL TIPS FROM MARK

In these days of economic turmoil there is much confusion for travellers. So we at ZIONTOURS, are initiating a bi-weekly column to give you some assistance. Today I'd like to focus on two different items: first, as travel tax is raised only once a month, on the 15th, don't pay until this date. Second, in London where you can get a refund on VAT, you must ask the store for a special form which will entitle you to the refund. In closing, two bargains. London roundtrip only \$308 while New York roundtrip only \$515. Ask us about El Al \$279... ZIONTOURS JERUSALEM, 23 Hillel St. Jerusalem (next to Shamai Tel. Post Office). Open every day from 8.30 a.m. till 6.30 p.m. Wed. and Fri. till 1 p.m. Tel. 233326/7/8.

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Aerial photos disclose ancient Venice

VENICE (AP). - University researchers have discovered buried under farmland the remains of a medieval city that was once a political centre of the Venice area, Italian newspapers reported yesterday.

Regional officials said they would like to unearth the remains of Heraclea, 28 kilometres northeast of modern-day Venice, the newspapers added.

The remains, about 1.2 kilometres long and 600 metres wide were discovered by researchers led by Pierluigi Tozzi, an ancient history professor at the University of Pavia.

The researchers discovered Heraclea by using aerial photography to spot ground variations that signaled the existence of the buried city.

Regional officials have set aside one billion lire (\$571,000) for initial explorations at the site, according to *La Repubblica* and the daily *Il Giorno* of Milan.

The newspapers did not specify when the area was discovered.

Heraclea became a centre of political and government life for the Venice area in the 6th and 7th centuries.

Teodor, one of Venice's early rulers, in the year 742 transferred the political operations to the Centre of what is now Venice.

Heraclea then lost much of its importance and was overrun by barbarians and abandoned before gradually disappearing from sight under water and soil.

Fugitive Nigerian fled Britain first-class

LONDON (AP). - The head of Nigeria Airways, a wanted man in Britain over an abortive kidnapping, flew home to Lagos last week on a first-class ticket with the Italian airline Alitalia, the *Observer* reported yesterday.

The report, quoting diplomatic sources, followed earlier stories that fugitive Group Capt. Bernard Banfa escaped from Britain through Heathrow Airport in a crate labelled "diplomatic baggage" - the method used in the Dikko affair.

Banfa was sought for questioning in the attempt to drug and kidnap runaway Nigerian politician Umaru Dikko in London and smuggle him back to Lagos on July 5 in a crate with diplomatic labels. Dikko was found at Stansted Airport as the crate was about to be loaded on a Nigeria Airways flight to Lagos.

Three Israelis and a Nigerian are awaiting trial in England on charges arising from the Dikko affair. Scotland Yard said that Banfa was one of two Nigerians and two Israelis still being sought for questioning in the case.

Armed police guard Mecca mosque

MECCA (Reuters). - Armed Saudi policemen yesterday patrolled approaches to the Grand Mosque in this Moslem holy city following demonstrations on Saturday by Iranian pilgrims.

Policemen with rifles stood guard in roads leading to the Grand Mosque area alongside armoured cars fitted with automatic guns, eyewitnesses said.

Mine-hunt yields one old torpedo

CAIRO (Reuters). - Minehunters sweeping the Red Sea and Gulf of Suez have found an old torpedo, but still none of the mines thought to have damaged at least 17 ships since early July, Egyptian Defence Minister Abdel-Halim Abu-Ghazla said yesterday.

He told reporters that Egyptian frogmen who found the torpedo had detonated it. The so far unsuccessful hunt for mines was continuing.

Abu-Ghazla said he could not tell when the two-week old operation, in which naval units from the U.S., Soviet Union, Britain, France and Italy are cooperating with forces from Red Sea states, would be completed.

"The search in some areas is 90 per cent complete, 75 per cent or something like that in other areas, and we cannot say when the job will be accomplished," Abu-Ghazla said.

3 Pakistanis flogged for drug, sex crimes

PESHAWAR, Pakistan (Reuters). - Three men were publicly flogged yesterday on the orders of military courts for sex and drug crimes.

About 2,000 people watched in silence at a sports stadium as one of the convicts received 10 lashes for drug trafficking. The other two were given five lashes each for assaulting a woman.

Sri Lanka orders investigation of 'police rampage'

COLOMBO (Reuters). - Sri Lanka said yesterday it had ordered an inquiry into charges that the police killed about 18 persons in a rampage through a northern town after four of their colleagues died in a guerrilla ambush.

National Security Minister Lalith Athulathmudali told reporters the police chief of Point Pedro had been ordered to probe allegations that policemen had "burned some shops and killed some people" in the town after Saturday's ambush.

The minister said minority Tamil leader Appapillai Amirthalingam had complained to President Junius Jayewardene that about 18 civilians had been killed in Point Pedro.

Athulathmudali said four policemen were killed and 10 injured when guerrillas detonated a bomb on the road and blew up a police convoy at the village of Tikkam, three kilometres from the town.

UK miners strike now assured of support by TUC

BRIGHTON (Reuters). - Britain's labour movement patched up a bitter rift over the country's 25-week-old miners' strike yesterday on the eve of its most crucial annual assembly in decades.

Delegates representing 10 million trade unionists are now certain to commit the Trades Union Congress (TUC) today to fully supporting the coal-miners in their fight to save pits and jobs.

TUC chiefs led by General Secretary Len Murray sealed a pact with miners' leader Arthur Scargill on Friday to back the strike by banning movement of coal across miners' picket lines.

The deal was angrily rejected by steel and electricity unions which said it would close their industries.

But yesterday the steel workers' leader, Bill Sims, announced after a three-hour meeting of his delegation that the union would abstain in today's vote. Instead, the union would hold a ballot of its members and await their decision, he said.

Head-on train crash kills 6 in Switzerland

MARTIGNY-BOURG, Switzerland (AP). - Six persons died and about 24 were injured when two trains collided head-on near Martigny-Bourg in the Swiss canton of Valais near the French-Swiss border, the state police said yesterday.

Investigators said a signalling error could be to blame for the Saturday accident, which left 11 of the injured hospitalized yesterday, six of them with serious injuries.

The dead include four Swiss, a Spanish man and a French woman, the police said.

The accident occurred on the private line of the Chemin de Fer Martigny-Orsières, and is the worst since a Swiss train struck a bus in September 1982, killing 39 German tourists.

Sudanese to be tried for drinking alcohol

KHARTOUM (Reuters). - A former member of Sudan's ruling Revolutionary Command Council is to stand trial for alcohol offences and has been stripped of his decorations, the official Sudan news agency (Suna) said yesterday.

President Jaafar Numeiri ordered that Mamoun Awad Abu-Zeid be stripped of the "Loyal Son of Sudan" order after being arrested for possessing and consuming of alcohol, Suna said.

Zeid, minister of energy and mining until his dismissal in 1979, had also committed "other shameful acts," it said without giving details.

Sport

Krickstein out

NEW YORK (AP). - Aaron Krickstein, seeded No. 8 in the \$2.5 U.S. Open Tennis Championship, sustained a shock third round exit at the hands of unseeded Holmes 7-6, 6-2, 4-6, 6-1, rank in the world.

Another surprise was the victory of unseeded John Lloyd over J. Krick 2-6, 7-6, 6-2, 6-3. Tim May upset Eliot Teltscher, seeded 6-4, 6-3, 6-4.

Ivan Lendl, Mats Wilander and Andre Gomez, Vitas Gerulaitis, Pat Cash are all through to the round.

Among the women, Sylvia Hanley eliminated 7th seed Zina Garbi 6-3, 6-2, and Petra Huber over 16th seed Andrea Temesvari 6-4.

Martina Navratilova, Chris E. Lloyd, Hana Mandlikova, Car Basset, Pam Shriver, Barbara Fier, Susan Mascarin, Wendy Turnbull, Petra Delhees Jauch and McNeil all won their matches.

Tennis war between sexes

NEW YORK (AP). - Vitas Gerulaitis touched off a controversy when he said Martina Navratilova couldn't beat the 100th ranked male player.

"Martina is by far the best athlete of all the women. But I would put my house right now and bet that number 100 could beat Martina Gerulaitis said.

Gerulaitis was asked to compare John McEnroe's domination of men's tennis with Navratilova's reign over the women's competition. "You can't compare the two divisions. I think that 95 per cent of the women can't beat 5 per cent of the men, and there are about 15 per cent of the men that can play and at least competitive."

Navratilova was asked about the comment and said, "He could be sorry about that one. I got to pick the surface and I got to pick the time. I'm 100 guy, I think I'd have a shot at it."

When told no. 100 was South African D. Theron, according to the ATP ranking, Navratilova said, "I'd like to know what he plays like. I think I'd have a shot."

Chris Evert Lloyd, who is seeded second here behind Navratilova in the U.S. Open tennis tournament, also was pulled into the controversy. Asked for her reaction to Gerulaitis' comment, she said, "As far as I'm concerned with the men, I think she'd have to top 1,000. There are so many college players who even ranked who could beat the top women, even the men over 40 could beat us. I agree 1 per cent with Gerulaitis."

Bar's bad break

Post Sports Reporter
TEL AVIV. - In Saturday's match between Maccabi Netanya and Maccabi Haifa, which ended in a 2-1 victory for Haifa, the Netanya and Israeli international stopper, said, "I had a bad break. The unfortunate Bar broke the same leg last year and had to miss most of the season. I am now once more in plaster, but Bar hopes that his recovery will be speedier than it was last year."

This match was part of a mini-league for the Yehuda Lilius Cup, commemorating the memory of a well-known administrator who passed away recently. The teams participating are Maccabi Haifa, Maccabi Netanya, Hapoel Tel Aviv and Bnei Yehuda.

In a double game, Hapoel Tel Aviv beat Bnei Yehuda 2-1 at the Bloomfield Stadium. Moshe Shal and Maurice Jans scored for Hapoel, and David Shvili, of the Bnei Yehuda team, for Bnei.

Other results of friends: Hapoel Petah Tikva 1, Maccabi Pith Tikva 1; Hapoel Haifa 4, Maccabi Jaffa 4; Maccabi Yotve 2, Hapoel Rishon 6; Bnei Tel Aviv 1, Hapoel Holon 1.

Endurance cycling

BARCELONA (Reuters). - Belgian Claude Criquiehon sped to a surprise win under almost intolerable conditions in the World Professional Road Race Cycling Championship here yesterday.

He finished the 255.25-km. test held in sweltering conditions on the Montjuic Circuit just 14 seconds ahead of Italian Claudio Corti who had chased his rival hard over the last of the 19 laps. Canadian Steve Bauer headed a small group of surviving riders to third place a minute behind the leading pair.

Criquiehon, 27, made his attack on the penultimate lap - long after fabled riders like French duo Laurent Fignon and Bernard Hinault and Italian favourite Francesco Moser had given up.

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* Linked to July 1984 construction inputs index (363.7 points) to be paid separately to Arim.							
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No undertaking is given to accept the highest or any bid.							

סכום הארץ

At the Gate



Much Ground To Cover in Campaign's Final Phase

By BERNARD WEINRAUB

PRESIDENT Reagan and Walter F. Mondale formally launch their campaigns tomorrow at opposite ends of the country, speaking to different constituencies and, perhaps most important, with their campaigns dominated by sharply contrasting moods.

While Republicans are optimistic about their prospects, the Democratic camp is plainly struggling to appear upbeat in the face of discouraging public opinion polls and the gloom of many party leaders. "Our coalition is together, our case is strong, the contrast couldn't be greater," Mr. Mondale said the other day. "From here on out, we're ready to move forward and win this election."

His aides concede that it will be an uphill movement. August was a damaging month, dominated by questions about the presidential race, as running mate, Representative Geraldine A. Ferraro, and her husband, still Mr. Mondale's advisers maintain that, President Reagan's 10 to 15 percentage point lead in most polls notwithstanding, voters can be highly volatile. Consequently, they say, with a little bit of luck, a hard-fought campaign and an absence of embarrassing disclosures, Mr. Mondale could make dramatic gains.

Mr. Mondale's advisers say that in the battle for the 270 electoral votes needed to win, the former Vice President is holding his own in the Northeast and Middle West. The Democrats envision improving their chances in the rest of the country by shaping a coalition of organized labor and liberals, moderate Republicans upset about the



Randy Jones

conservative tilt of their party, blacks spurred by the Rev. Jesse Jackson, and "ethnic" Catholics, younger voters and women drawn to Mrs. Ferraro's candidacy.

Gathering Endorsements

In what were portrayed as big steps toward stitching together that coalition, Mr. Mondale last week gathered the endorsement of John B. Anderson, the Republican who ran for President as an independent in 1980, gained promises of support from Mr. Jackson and other black leaders and was welcomed warmly by a group of Democratic mayors.

Mr. Jackson, who has veered from support to annoyance with Mr. Mondale, said after a meeting with the candidate that he was assured that the Minnesota candidate would include many blacks in his campaign organization. "We shall hit the ground running," Mr. Jackson

promised. "We shall go to the churches, the neighborhoods and the schools."

If some Democrats were displeased at Mr. Mondale's private lobbying with black elected officials and civil rights activists, the separate meetings that the candidate held with black leaders underlined Mr. Mondale's own difficulties in keeping and expanding his base.

To shore up the party's traditional support, Mr. Mondale and Mrs. Ferraro will march in a Labor Day parade down Fifth Avenue tomorrow in New York City, fly to Merrill, Wis.—a town of 9,000 that was selected because it symbolizes the nation's heartland—and end the day in Long Beach, Calif. Mrs. Ferraro will continue on to San Diego tomorrow night. "Our themes will be simple," said James A. Johnson, the campaign chairman. "Walter Mondale will be a better President in the next four years. We will argue that based on values, based on who bene-

fits, based on who will bring a more peaceful world." Mr. Reagan, for his part, will attend a rally in conservative Orange County, Calif., and then fly to Salt Lake City to address the American Legion on Tuesday and travel on to Chicago Wednesday. Vice President Bush was due to begin a swing through the South today.

Many Democratic strategists say that the road to Election Day has been made even rougher for Mr. Mondale and his staff by their failure, following a unifying party convention, to capitalize on several Republican stumbles, including President Reagan's crack about bombing the Russians.

Who's in Charge?

In recent weeks, the main problem for the Democratic campaign has been, it is generally agreed, the unfavorable publicity about Mrs. Ferraro, who last week termed "totally inaccurate" and "offensive" a newspaper article that raised questions about sources of contributions to her Congressional campaign. But many Democratic officials say that the reports reflected less on the Queens Democrat than on Mr. Mondale. Not only was his highly publicized Vice Presidential selection process called into question, but the distance Mr. Mondale maintained from his running mate seemed, in the view of some, to suggest that he was not fully in charge of his campaign.

To turn things around, the Mondale campaign expects to concentrate in the next few weeks on what Mr. Johnson called "a range of issues, a range of policy choices." These include "leadership," and "leveling with the American people" on the best ways to reduce Federal budget deficits. There are also such issues as "fairness" — Mr. Mondale will accuse Mr. Reagan of siding with the rich in his tax and economic programs — and "basic values," such as hard work and promoting family life.

Mr. Mondale has also begun shaping plans to attack Mr. Reagan's foreign policy and the absence of any substantive arms control negotiations with the Soviet Union. Further, Mr. Mondale has decided to make religion and politics a central theme in the campaign — a potentially risky move because it could open an unusual national debate on issues that politicians generally seek to avoid — school prayer, book censorship, abortion. Mr. Mondale's decision follows Mr. Reagan's recent statements that linked faith to politics.

"This issue has been building, it's coming to the surface very quickly," said Robert G. Becker, the campaign manager. Another Democrat said that, in bringing up the issue against Mr. Reagan, Mr. Mondale is raising the stakes in the national election with results and possibilities that cannot be foreseen. "Right now, anything helps," he said.

Wave of Xenophobia, Absence of Chernenko Heighten Doubts About Leadership

Reagan Isn't All That's Bothering Russia

By SERGE SCHMEMMANN

IF the Soviet press is any guide, there are few global problems for which the United States is not to blame. A single issue of Pravda last week managed to accuse Washington of destroying any basis for Soviet-American dialogue, orchestrating last year's Korean jetliner disaster, opposing nuclear-free zones, supporting Israeli expansionism, meddling in Central America and the Red Sea, and fomenting religious and ethnic strife in India. The President himself now routinely comes under the sort of personal attack that not so long ago might have shocked Western diplomats. Soviet officials, and occasionally voices in the West, place the entire onus on the Reagan Administration. They cite the President's joke about bombing Russia and his talk of evil empires, the deployment of new American missiles in Europe, Washington's military buildup and its activities abroad. Mr. Reagan's recent efforts to moderate his stance have been scorned.

Few would deny that the Administration's strong anti-Soviet sentiments and Moscow's frustration at its failure to block NATO missile deployment have been serious factors in bringing relations to a low state. But as the gloom deepens, Western diplomats are asking whether the unrelenting anti-American rhetoric may not be a symptom also of internal malaise in the Kremlin — of a weak and possibly ailing leader, of inability to jettison futile policies in the absence of strong direction from the top.

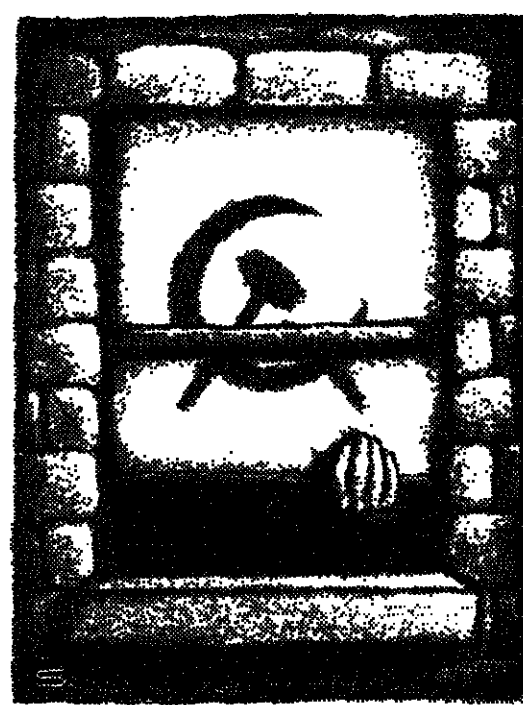
Whatever feelings Konstantin U. Chernenko, the Soviet leader (or perhaps more to the point, Foreign Minister Andrei A. Gromyko and Defense Minister

Dmitry F. Ustinov), may harbor toward Mr. Reagan, it is also pertinent that xenophobia has historically been an affliction and tool of Soviet leaders. When feeling insecure, they have often masked indecision with invocations of threats from abroad, vitriolic propaganda and increased domestic controls. Without a strong leader, the tendency of lower-ranking officials in the stratified Soviet system has been to assume a safe hard-line stance, avoiding risky policy changes.

The signs of trouble range well beyond anti-Americanism. New rumors are circulating about Mr. Chernenko's health. Reports are coming in of yet another poor grain harvest. Charges of revanchism are fired at West Germany while East Germany is upbraided for pursuing its own détente in defiance of Moscow. The Defense Ministry reports that Soviet cruise missiles have been successfully tested. A wave of spy-mania sweeps through television and the press, stronger barriers are erected between Russians and foreigners. And the plight of Andrei D. Sakharov and his wife is concealed behind silence.

"The signs all point to a weak leadership," a senior American diplomat said. "They stick to old policies because they have no new ones and they're unable to develop new ones because they lack a strong arbiter." He continued, "They're using Reagan as a whipping boy. What they're really saying is that the world is not behaving as it should: the American military is growing, East Europe is not treating the NATO missiles seriously, the West European peace movement is dormant."

When rumors spread through Moscow that Mr. Chernenko, who has not been seen in public for nearly seven weeks, returned from vacation for medical treatment, the fact of the rumors was even more striking than their content. There was little to suggest that Mr. Chernenko was seriously ill or in real political trouble. But in a land of severely controlled information, rumors often seem to signal disquiet at the top and insecurity below. Whatever Mr. Chernenko's health, diplomats have concluded that in seven months in office he has not assumed his predecessors' broad powers and that subordinates, from Mr. Gromyko and Marshal Ustinov down to regional party chiefs, have pretty much taken charge of their domains.



David Shannon

Some American officials attributed reports of harassment of American tourists who visit Jewish refuseniks in Leningrad to the independence of a local K.G.B. apparatus known for its toughness.

In foreign policy, diplomats sensed that Mr. Gromyko and Marshal Ustinov, having decreed a posture of outrage at the NATO missile deployment last year and having abandoned nuclear disarmament talks, seemed unable or unwilling to search for a new tack. The Soviet proposal in June to negotiate a ban on space weapons raised speculation of a new Kremlin game plan, but as prospects waned during extended bickering, diplomats became convinced that no real break was imminent, at least until after the American Presidential elections.

The results of the polling will reach Moscow at about the time the members of the Politburo mount the Lenin Mausoleum for the Nov. 7 Revolution Day parade; spectators might simultaneously learn who will be in charge in Washington and in Moscow.

The fact that President Reagan seemed anxious to demonstrate that he was capable of negotiating with Communists seemed only to reinforce the Kremlin's determination to demonstrate the opposite. The effort seemed to be aimed as much at Western Europeans as at American voters.

American sources said even so routine an agreement as the new hot-line accord was held up for months by Soviet reluctance to allow an impression of business as usual. And despite Washington's efforts to put the best face possible on those contacts or negotiations that did take place, little movement was evident on such issues as chemical weapons or preventing surprise attack, or on new consular and cultural agreements.

Looking ahead, the question is whether Moscow will be capable, even after the November elections, of quickly emerging from its gloom. If Mr. Reagan is re-elected, the Kremlin will have to deal with a man it has reviled in the harshest terms. And if the problem is internal, there is doubt whether even a new President could draw Moscow out of its defensive aggressiveness until it had set its own matters right. (Kremlin's worries in Eastern Europe, page 4.)

Will Taking Turns End Israel's Impasse?

FIVE weeks after inconclusive elections, the leaders of Israel's two leading political forces agreed last week that neither could form a government without the other. The big question for Prime Minister Yitzhak Shamir of the Likud bloc and Shimon Peres of the Labor Alliance was how much unity there would be in the national unity cabinet they proposed to form and take turns leading.

The unusual arrangement, a measure of the impasse in Israeli politics, reportedly calls for Mr. Peres to be Prime Minister for the first 25 months with Mr. Shamir as his deputy and Foreign Minister. They would then reverse roles for the remainder of the 50-month term. At week's end details of the program and some disagreements remained to be worked out.

The two leaders were to meet today to draw up a final package of men and ideas for submission to their respective parties. The left wing of the Labor Alliance was already referring to the projected coalition as a "Government of national paralysis" and was threatening to defect. There was opposition within Likud as well.

Among the 24 ministries, half to each group, some compromises seemed to be in the making. Labor, for example, would get the powerful Defense Ministry while Likud would hold on to the Finance portfolio despite the criticism of its economic management since it displaced Labor in 1977. A bipartisan committee of experts was reported to have drawn up austerity measures to reduce the 400 percent inflation rate and insure continued financial assistance from Washington. There also appeared to be agreement on removing Israeli troops quickly from Lebanon.

Among the leading sources of trouble is the question of how far and how fast to proceed with Jewish settlements in the West Bank. Mr. Shamir also was balking at offering to negotiate with Jordan's King Hussein, who is not likely to accept anyway as long as the settlements go on. Washington was not optimistic that the Israelis could agree on policies that would revive President Reagan's long dormant peace initiative, which calls for negotiation with Jordan.

With its overwhelming control of Parliament, the coalition could force through a change in the proportional representation system that has made for such a splintered Parliament. In addition to keeping the number of parties down, it might keep out unwelcome members, such as Rabbi Meir Kahane, the Brooklyn-born zealot who campaigned to expel all Arabs from Israel. Last week, he and his supporters were stopped by the police before they could get to Um el Fahm, the largest Arab town in the country, to start their anti-Arab drive.

Much, but not all, is forgotten between Japan and Korea

4

The Nation

E.P.A. Rejects States' Plea On Acid Rain

For more than three years, New York, Pennsylvania and Maine have tried to beg, bully and sue the Environmental Protection Agency into invoking the Clean Air Act to curb acid rain at its source, mainly sulfur-emitting smokestacks of the Middle West. The states may have lost their bid last week on a technicality.

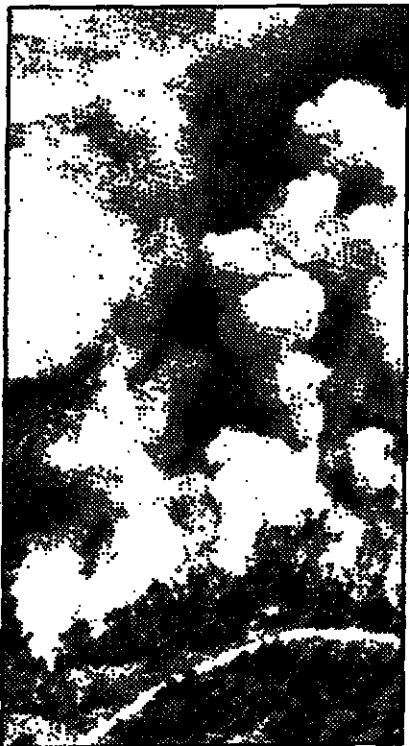
According to the environmental agency, the law applies only to pollutants named in the law. Although the pollutants that cause acid rain are named, acid rain itself is not. Attorney General Robert Abrams of New York said that interpretation of the Clean Air Act was "legally distorted and scientifically dishonest."

The ruling is not final: it must be published in the Federal Register, after which the public will have 30 days to comment. Mr. Abrams has already asked E.P.A. Administrator William D. Ruckelshaus to reverse the agency's position and has said New York will sue if he does not.

Acid rain has been blamed for killing aquatic life in hundreds of lakes and has raised fears about stunted forest growth, depressed crop yields and human health hazards. The Reagan Administration's position is that more research is needed before costly emission controls are instituted. The Administration has discouraged state action on acid rain, such as New York's plan to curb sulfur emissions. By contrast, the E.P.A. last week presented a strategy that makes the states primarily responsible for combating underground water pollution.

Ablaze in Montana

The big skies glowed red last week as Montana suffered its worst forest fires in a decade. President Reagan declared three of the biggest fires disasters, making Federal funds available to battle them. But with 250,000 acres of rangeland and forest ablaze, it took officials a while just to determine how many fires there were to fight. "Our state literally is



United Press International
Forest fire raging near Billings, Mont., last week.

on fire from Glacier Park in the extreme northwest corner to the Bull Mountains in the southeast," said Gov. Ted Schwinden.

A smaller than average snowfall left the woods bone dry — ready tinder for a bolt of lightning or carelessly tossed cigarette. The flames quickly spread out of control, forcing hundreds of people to be evacuated and destroying 34 houses. One fire came within a half-mile of a Missouri River dam, causing its generator to be shut down. Thousands of volunteers from as far away as California were called in, but as 70 miles per hour winds whipped the flames and grounded planes loaded with chemical retardants. By week's end, however, two days of steady rain had all but doused the fires, and weary firefighters began heading home.

Lots of Room For Compromise

As a Sept. 15 strike deadline got closer, auto workers and auto makers moved farther apart last week. The General Motors Corporation and Ford Motor Company called for a wage freeze in their contract offers, and the United Automobile Workers retaliated a strike authorization vote.

"We're not in the same ballpark at this point," said Stephen Yokich, the chief union bargainer at Ford. The union, which agreed to wage concessions during the 1982 slump, has demanded a "fair and equitable" pay increase, better pensions and restrictions on foreign production and parts. "We shared in the misery," Mr. Yokich said. "Now we want to share in the prosperity." The compa-

nies said they need to keep wages under control to compete effectively against Japan and offered no guarantees that they would try to prevent job losses.

Both sides broke tradition with their negotiating tactics. The auto makers, whose proposals are usually identical, made different offers. G.M. offered about \$1,000 in profit-sharing plus lump sum payments. Ford offered about \$1,600 in profit-sharing. The union responded by making both companies strike targets. Usually, only one company is singled out as the target. (Chrysler's contract is negotiated separately.)

Despite the union denunciations, Peter J. Pestillo, a Ford negotiator, said the talks were following a normal pattern and that he wasn't surprised the first offer was rejected. "If they had accepted it," he said, "I would have been criticized within the company for offering too much."

Fatal Test Of the B-1

Tommie Douglas Benefield, chief test pilot for Rockwell International Corporation, was at the controls of an eight-year-old B-1 bomber that had been modified to resemble the more advanced, intensely controversial B-2 that will soon come rolling off Rockwell's assembly lines. The plane had logged 543 hours of flight time, but one morning last week it crashed into the Mojave Desert in Southern California.

Though the crew ejected in a parachute-borne escape capsule, Mr. Benefield was killed and two Air Force officers were injured. Officials said a panel would be appointed to investigate the crash, which occurred during what was described as "extremely low-level, extremely low-speed" flight. One point of inquiry, an Air Force spokesman said, will be whether or not an air bag inflated properly to soften the landing of the capsule. Meanwhile, The New York Times, quoting Government sources, said that the B-1 had stalled and gone out of control after maneuvering to avoid a collision with an observation plane.

Officials said the crash wouldn't delay Tuesday's scheduled rollout of the first production model of the B-1B, touted by the Reagan Administration as a much-needed replacement for the 30-year-old B-52 bomber, or plans to build 100 of the planes at a projected cost of \$28.3 billion. It seemed likely, however, that sharp questions about the plane — which critics say would be too slow to evade Russian air defenses and is soon to be replaced by a "stealth" radar-evading bomber anyway — could flare during the brief pre-election session of Congress, which gets under way this week. Unfinished business includes legislation providing \$9.2 billion for 34 of the planes, which Walter F. Mondale has said he would cancel.

Ex-Reagan Aide Is Indicted

The Justice Department brought criminal charges last week against Thomas C. Reed, a former national security adviser to President Reagan, accusing him of improper dealings in the stock market three years ago. It is not the first time one of the President's men has faced charges of financial impropriety, but it may be one of the more inconvenient instances, coming as it did during the campaign season. Mr. Reed's indictment conceivably could give Democrats a chance to criticize Mr. Reagan's appointments and his Administration's "business ethic." The White House had no comment.

The Justice Department contends that Mr. Reed improperly used insider information to turn a \$431,000 profit on an investment of \$3,400 in 1981, 10 months before he was appointed a White House consultant. Mr. Reed stepped down last year after a criminal investigation was announced. The information, which concerned Amstar Inc., a mining company, reportedly came from Mr. Reed's father, Gordon, who was then an Amstar director and has not been charged in the case.

In cases of trading in stock on the basis of information not available to the public, the Justice Department can bring criminal actions and the Securities Exchange Commission can bring civil actions. Answering an S.E.C. charge in 1981, Mr. Reed denied wrongdoing but consented to a settlement requiring him to relinquish his profits.

Rudolph W. Giuliani, United States Attorney for the Southern District of New York, said the criminal charges against Mr. Reed, which carry a combined prison sentence of up to 20 years, reflect a stepped-up enforcement campaign against insider trading. R. Foster Winans, a former reporter for The Wall Street Journal, may have fallen into the same net. He, too, was indicted last week on charges involving insider information that Mr. Winans is accused of supplying to accomplices.

Michael Wright,
Caryle C. Douglas
and Caroline Rand Herron

Experts Say Earthquake Insurance and Classroom Drills Aren't Enough



United Press International
A paramedic working on a victim of a mock earthquake during a drill in Los Angeles.

Little by Little, California Prepares for the Big One

By ROBERT LINDSEY

LOS ANGELES — After the new term gets under way later this month, teachers in Los Angeles' 430 elementary schools will periodically shout: "Drop!" If their pupils do as they are told, they will fall quickly to the floor and dive underneath their desks.

The drills are one of many signs that California is starting to take seriously those warnings by scientists that a catastrophic earthquake is lurking somewhere in the state's future.

According to geologists, powerful stresses are building up along the San Andreas Fault system, a network of cracks and fissures in the earth that slashes down the state from the coast north of San Francisco to the Mexican border. Sooner or

later, the experts say, these forces will unleash a mighty burst of energy, causing an earthquake as powerful as the one that destroyed much of San Francisco in 1906.

Researchers for more than a decade have said that "great" earthquakes, those with energy measured on the Richter Scale of 8 or more, occur cyclically and that another is inevitable, very likely before the end of this century. There has been an increase in heaving and shoving deep beneath California, foreshadowing, researchers suggest, the predicted large earthquake.

Apathy Shaken?

At the surface, most of this seismic activity has gone unnoticed, perhaps only rattling a few dishes. But in May 1983 an earthquake with a Richter magnitude of 6.5 leveled much of Coalinga,

an agricultural town of 7,200 almost midway between San Francisco and Los Angeles. On April 24, a 6.2-magnitude earthquake knocked more than two dozen houses off their foundations and injured at least 21 people in Morgan Hill, south of San Jose. A few days ago, a "moderate" earthquake — 4.1 on the Richter scale — shook an area near Morgan Hill.

Still, until not long ago, it was difficult to find many Californians who took the scientists' warnings very seriously. Perhaps vagueness encouraged apathy: no scientist could say when or where the big earthquake would occur or really, if it would occur. But, in large part because of a startling Federal report warning that California might pay a high price for its lack of preparations, this attitude seems to have changed over the past three years.

Cities have begun making plans to coordinate communications and emergency procedures to deal with an earthquake. Insurance companies report a surge in the purchase of special earthquake coverage. Corporations such as Arco and International Business Machines have prepared comprehensive emergency plans designed to save lives and otherwise cope during and after an earthquake. Computers are considered especially vulnerable to a major earthquake, and banks and other concerns are trying to find ways to continue functioning after a big quake.

Some newspapers and the major television networks are developing contingency plans. Federal disaster planning officials, saying they expect that thousands of out-of-town journalists would be attracted to the big quake and possibly interfere with rescue operations, are assembling a portable emergency news center, complete with typewriters and desks, to be airlifted to the earthquake site.

"I think we have a long, long way to go," said Paul J. Flores, director of the state and federally financed Southern California Earthquake Preparedness Project. "But," he added, "we have started to get a greater level of awareness, particularly among elected officials; we've seen a number of actions that actually cost money." In San Bernardino County south of here, for example, he said, officials have developed a broad earthquake response plan that includes construction of a "hardened" emergency control center designed to survive a severe quake.

Richard A. Andrews, executive director of the California Seismic Safety Commission, said a major catalyst for the changes in attitude was the 1981 Federal study, which concluded that California was virtually unprepared for a disaster that seemed inevitable and could kill as many as 23,000 people.

More impetus came from the Morgan Hill and Coalinga quakes. At Coalinga, utility and water lines snapped, most communications services failed, and emergency-service agencies from adjoining communities often were unable to contact each other because their radios were set on different frequencies.

For all of the recently displayed concern, officials say that the preparations are still inadequate. Only a small fraction of Californians, they say, have taken such precautions as stockpiling fresh water, canned food, flashlights and portable radios. Further, Mr. Andrews said, Federal and state governments spend only about \$85 million a year on earthquake research and planning, compared with \$1.7 billion committed in Japan to a five-year plan to prepare an area "half the size of Southern California" for an earthquake.

Mr. Flores conceded there were psychological barriers to overcome. "The scientific community tells us," he said, "that we can expect it to occur between now and 30 years from now. Some people just can't give it a high priority. They say, 'We have 30 years; there's no hurry.' But we really need 30 years to do everything we should do to prepare for it."

A Suit Last Week Charged Both Major Parties With Misspending

For F.E.C., Justice Delayed Is Routine

By ROBERT PEAR

WASHINGTON — In a recent effort to prove her good faith in the matter of \$109,000 in illegal loans from her family for her first Congressional campaign, Geraldine A. Ferraro noted that the loans were fully disclosed to the Federal Election Commission in 1978.

The dispute over those loans to the Democratic Vice Presidential nominee is one of several involving the commission this year. Senator Gary Hart of Colorado filed a complaint with the commission in April, charging that Walter F. Mondale had used "tainted money" in the Democratic primaries. Mr. Hart eventually abandoned his threat to challenge Mondale delegates, but the legal questions he raised are still pending before the commission.

Last week, the Center for Responsive Politics, a private nonprofit group, filed a complaint charging that the Democratic and Republican National Committees had violated election laws through the use of "soft money" raised from corporations, labor unions and wealthy people. The group, which describes itself as a bipartisan organization seeking to promote public confidence in Congress, charged that such money, which could be legally spent by state parties for voter registration and get-out-the-vote activities in state and local elections, was being used illegally to influence Federal elections.

If recent history is any guide, the six-member commission will deliver its judgment on these complaints long after most voters have lost interest in the issues.

Indeed, delays in enforcement and compliance proceedings are widely cited as one of the commission's most serious problems.

"The biggest criticism of the commission is that it doesn't perform its investigative functions very expeditiously," said Jan W. Baran, chairman of the American Bar Association's Committee on Election Law.

William C. Oldaker, former general counsel to the commission, said the agency has been "far too slow and dilatory" in handling enforcement actions.

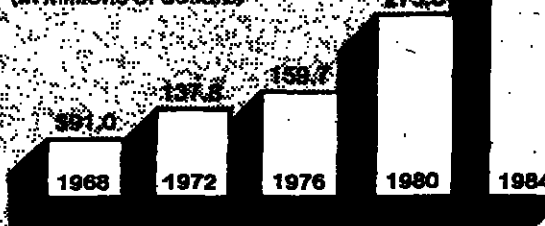
However, the Ferraro and Mondale cases also illustrate one of the election agency's strengths: its ability to obtain the prompt public disclosure of campaign contributions and spending. The commission is required to make campaign finance reports available to the public within 48 hours after receiving them, and it generally meets the deadline.

It was from Mondale campaign reports that Mr. Hart's supporters obtained their information about Mondale "delegate committees." Mr.

The cost of getting elected

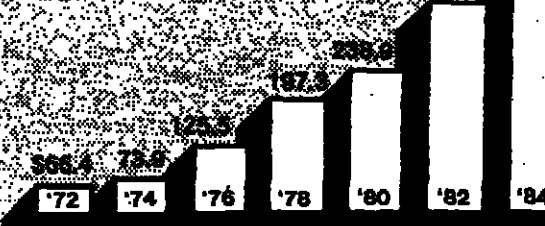
Presidential campaign spending

(in millions of dollars)



Congressional campaign spending

(in millions of dollars)



Source: Herbert E. Alexander, Citizens Research Foundation

Mondale said the contributions were legal, but he shut down the committees and ordered them to return all the money they had received from labor groups.

Among the other things the commission does well, experts on election law say, is distributing Federal funds to Presidential candidates smoothly, with a minimum of delay. Candidates who raise a total of more than \$100,000 in individual contributions of \$250 or less, including at least \$5,000 in each of 20 states, can qualify for Federal matching funds in the primaries. Major-party candidates also receive Federal funds for the general election.

But prompt enforcement of the law remains a focus of concern. It took the commission nearly five years to resolve a complaint filed in April 1979 against Ronald Reagan's Presidential campaign committee and a separate group that he founded, Citizens for the Republic.

The commission found "probable cause to believe" that the two groups had violated Federal

law by accepting and making contributions of more than \$5,000. The President's 1980 campaign committee agreed to pay a civil penalty of \$4,000 and the Citizens for the Republic group agreed to pay a \$1,000 penalty.

"We are working very hard to be more timely in the compliance field," said Lee Ann Elliott, chairman of the commission. She said there were still seven court cases pending from the 1980 Presidential election.

Federal courts have resisted efforts to make the commission speed up its work. The law encourages informal conciliation and gives the commission 120 days to investigate a complaint without intrusion by the courts. Moreover, the United States Court of Appeals has said that the commission, entrusted with "tremendous power," should not "overstep its authority by interfering unduly in the conduct of elections."

'Agency Under Fire'

Herbert E. Alexander, a leading authority on campaign finance, has described the commission as "an agency under fire."

Since the 1980 elections, members of Congress, lobbyists and other critics have stymied their efforts to curb its power, or even to eliminate the agency.

The attacks come as the commission's workload is growing dramatically and it appears to be getting little sympathy from the White House. The Administration asked that the agency's budget for the next fiscal year be decreased by nearly 5 percent, requesting \$500,000 less than the current year's \$10.7 million.

In defending F.E.C.'s independent request for a \$13.6 million budget instead, Commissioner John Warren McGarry, a Democrat, told Congress there had been "explosive growth in campaign spending."

The agency says that total spending in Federal elections this year will probably exceed \$1 billion for the first time, up from \$325 million in the 1976 elections and \$286 million in 1980.

The commission expects to receive 52,000 reports this year from 34 Presidential candidates, 2,300 House and Senate candidates, 4,000 political action committees and 1,200 other entities.

Despite the growing workload, Mr. McGarry said, "Our audit staff will be only two-thirds of that maintained in 1980-81."

The World

A Loss At the Top In Lebanon

Lebanon last week lost one of its principal godfathers at a time when the precariously balanced country needs all the help it can get. Pierre Gemayel, the 78-year-old leader of the Maronite Catholics and father of President Amin Gemayel, died of a heart attack after attending a Cabinet meeting. He was a key supporter of Prime Minister Rashid Karami's pro-Syrian policy, which is anathema to many of Mr. Gemayel's fellow Christians and to some Moslems, too.

Guns returned to the streets of Beirut after eight weeks of relative calm, exchanging fire with Lebanese Army troops and forcing the temporary closing of three of the five crossings between the Christian and Moslem sectors. And Shiite Moslem followers of Nabih Berri shut down West Beirut for a day-long demonstration of strength marking the sixth anniversary of the disappearance of their religious leader, Imam Musa Sadr, during a visit to Libya.

Druse and Christian militias exchanged artillery fire in mountains near the city, where Walid Jumblat, the Druse leader, refuses to allow Lebanese Army troops to be stationed. Mr. Jumblat insists that the troops must also control areas held by followers of President Gemayel, whom he has recently denounced as a "fascist" and "butcher." In the northern city of Tripoli, a "permanent cease-fire" arranged by Mr. Karami was broken almost immediately as Sunni militiamen battled Syrian-supported rivals. Both sects are Moslems.

In Israeli-occupied south Lebanon, three Israeli soldiers were wounded by gunfire. Israeli jets bombed a Palestinian military base behind Syrian lines in the Bekaa district. At the United Nations, Lebanon protested new regulations forcing trav-

elers to cross into the Israeli zone on foot. It asked the Security Council to help end the Israeli occupation. Prime Minister Yitzhak Shamir defended the crossing regulations in Jerusalem as necessary to prevent the smuggling of arms.

The Drooping Gulf War

The Senate Foreign Relations Committee last week gave a possible reason why Iran's long-standing threat of an all-out offensive against Iraq has not been executed. The military balance has shifted to Iraq in recent months, a staff report said, because of "massive arms sales" by France and the Soviet Union and an effective American-led boycott of arms to Iran.

The frequently reported Iranian build-up of half a million troops has aroused expectations of a massive assault. But the report said that an attack would "probably lead to a defeat for Iran" and depletion of its armament, leaving it open to a successful counteroffensive. The com-

mittee concluded that "lack of victory could destabilize" the Khomeini Government.

The committee found Iraqi superiority in all categories of equipment, including tanks, armored personnel carriers, artillery and aircraft. Compared with more than 400 Iraqi combat planes, Iran was estimated to have only 75 to 90 operational planes. Last week, it found itself with one less American-built F-4 Phantom jet and two fewer pilots. They defected with the plane to Baghdad and obtained political asylum. Two days before, an Iranian commercial airliner with 206 passengers was hijacked by an Iranian couple and forced to fly to Baghdad.

Staying Home In South Africa

South African whites last week took another step toward giving the country's other minorities a limited say in government. But South Africa's 800,000 Indians, like the 2.8 million people of mixed race who had their own election the week before, showed little interest in the three-house segregated Parliament to be sworn in tomorrow. The new system maintains control for the country's 4.5 million whites. It excludes the 20 million blacks.

Fewer than 20 percent of the Indians eligible to vote took part in last week's elections. About 30 percent of eligible mixed-race people voted in the Aug. 22 election for their separate 80-seat chamber.

Eighteen of the 40 seats in the house set aside for Indians in the 280-seat Parliament went to the National People's Party. Some analysts said the party leader, Amichand Rajbansi, might be rewarded with a job in the Cabinet to be named in mid-September. But his authority was reduced when 92 percent of his constituency ignored him, either staying home (85 percent) or voting for other candidates.

The Government blamed intimidation for the low turnout, but F.W. de Klerk, the Minister of Internal Affairs, said "a mandate" had been achieved. The police fired tear gas and rubber bullets at demonstrators, some of whom threw gasoline bombs and overturned a police car. More than 100 people, including some policemen, were injured. More than a dozen protesters were put under six-month detention orders.

South Africa last week told an American critic, the Rev. Jesse Jackson, that it would be "inopportune" for him to visit the country this



South African police dragging one of demonstrators for election boycott.

year. He said he had hoped to "inspire and give confidence to the people."

British Unions Are Divided

Prime Minister Margaret Thatcher returned from an 18-day vacation last week to find Britain's labor unrest wider and more confused than when she left it. She was

reported determined to maintain her policy of nonintervention in the long coal strike and in the second dock strike this summer. But she nonetheless called off a visit to the Far East later this month because, a spokesman explained, "it would not be right for her to be so far from Britain for this period."

Neither the Government nor some 140,000 coalminers who have shut Britain's older mines for almost six months appeared willing to give in. In July, ports handling 70 percent of British trade were shut down in solidarity with the miners. Last week, about a third of Britain's 35,000 dockers tied up six large ports handling about 40 percent of the traffic.

The uncertain and at times contradictory display of support for the miners exacerbated the bitter divisions in working-class ranks and promised a stormy trades union convention starting tomorrow in Brighton. The police were reported to have prepared for violence. The militant leader of the mineworkers, Arthur Scargill, was expected to demand all-out support in his battle to keep uneconomical mines open against Government efforts to modernize industry, defeat restrictive labor legislation and force Mrs. Thatcher out of office. "This is a dispute the Government simply cannot afford to lose," said Keith McDowell, a spokesman for the Confederation of British Industry.

Milt Freudenheim and Henry Glulger

Verbatim: Bidding for Power

From speeches in the closing week of the campaign for the general election in Canada Tuesday

"I thought that when that Liberal leadership came open I could and should try to make a contribution, and try to see whether I could participate in leading our country back to the mood in which I had grown up, where Canadians had a confidence and optimism which made our country an exciting place to live."

Prime Minister John N. Turner, Liberal leader

"This is a time for national reconciliation and renewal. I stand here before you committed to drawing Canadians together, to reconciling opposing views, to uniting the regions, to building a new consensus."

Brian Mulroney, Progressive Conservative leader

Western Analysts Think Rumania and Other Eastern Europe Flirts With Bonn

In a Fit of Independence Eastern Europe Flirts With Bonn

By DAVID BINDER

WASHINGTON — The scope of Eastern Europe has many pieces, bright and dark, and now, all at once, the combinations of light and shadow are quite different.

Erich Honecker, president and Communist party chief of East Germany, is "still possibly" going to visit West Germany for the first time in his official capacities, at the end of the month. Bulgaria's Todor Zhivkov is also due in Bonn for the first time in September and Rumania's Nicolae Ceausescu in October. A week ago, Mr. Honecker visited Rumania.

A little more than 14 years ago, Mr. Ceausescu became the odd man out in the Warsaw Pact, refusing to go along with five other members of the Soviet bloc in putting pressure on and ultimately invading Czechoslovakia to quash a tentative reform movement. Asked how the Moscow loyalists in the bloc would treat maverick Rumania, an East German propaganda chief, Karl Eduard von Schnitzler, chose a soccer term. "We'll leave them playing at left wing," he said. Thereafter Rumania was scorned as a rather harmless heretic.

Yet suddenly here was Mr. Honecker paying tribute to the Rumanian leadership while attending a fête marking the 40th anniversary of Rumania's "liberation from fascism." If that weren't enough, Mr. Ceausescu ad-

vanced the new Bucharest thesis that the Rumanians had largely "liberated" themselves before the Soviet Army poured across the Prut River to drive out the remaining Germans in the summer of 1944. "An overstatement at least," Jiri Hochman, an East European historian at the University of Ohio, observed.



This was a form of nose-thumbing at the Soviet Union. There has been more. On Aug. 1 Pravda, the Soviet party organ, assailed West Germany for extending a \$333 million loan, through private banks, to East Germany, calling it interference. The real target of this attack appeared to be Mr. Honecker.

In the meantime there has been Czechoslovak press criticism of the East Germans reprinted in Moscow, followed by Hungarian press praise of East German policy, reprinted in East Berlin. When compared to the period before the 1968 invasion of Czechoslovakia, the shifts are almost dazzling even for Communists, who are trained to accept overnight changes in the party line. For example, after the erection of the wall sealing off East Berlin in 1961, Czechoslovakia's Antonin Novotny, East Germany's Walter Ulbricht and Poland's Wladyslaw Gomulka spoke of their "iron triangle" in Central Europe resisting the pressures of capitalist imperialism. Within a few years the triangle collapsed. Mr. Novotny was the first to go when the Czechoslovak economy fell apart at the beginning of 1968. In 1970, Mr. Gomulka fell amid worker strikes that foreshadowed the Solidarity free trade union movement. Mr. Ulbricht was shoved aside with Soviet blessings in 1971 when he opposed détente.

Common Interests

Today the East European groupings are entirely different, as Mr. Honecker's sudden friendship with Mr. Ceausescu illustrates. What has developed is more a southeastern-arching curve of common interests that starts in East Germany, extends to Hungary, Rumania and Bulgaria. The common interests are to increase commerce with the West, continue economic reform and encourage private enterprise, cultivate the withered garden of détente and with it, de-emphasize military alliance obligations. Each seeks more independence.

The trends in Eastern Europe are getting more atten-

tion in Washington than at any time since 1968. "The question for us," said a State Department specialist, reflecting on the Eastern European evolution of the last three decades, "is whether these changes are cyclical or qualitatively different. I think the latter."

The latest changes are not confounding to United States policymakers, who gave up the idea of rolling back Communism rule in 1956 in the wake of the uprisings in Poland and Hungary and have insisted since the Johnson Administration on differentiating among the various European Communist countries.

This differentiation under President Reagan means some sanctions against Poland, relatively warm relations with Hungary and Rumania, practical improvements with East Germany and Bulgaria, and coolness toward Czechoslovakia. More difficult to discern for American officials are the forces behind the latest alignments. The basic assumption here is that the Soviet leadership under an ailing and often absent Konstantin Chernenko is weak and vacillating. The Soviet Union's once overpowering hand is seen as substantially weakened by its declining productivity, stagnation in fuel output and agricultural setbacks. In essence the Russians appear to officials here to have lost leverage.

This situation has allowed the Honeckers, Ceausescus and Zhivkovs a degree of maneuvering room unknown before. How long this show of relative independence can go on and what forms it can take in the future are big questions. The Soviet Union continues to maintain a force of nearly half a million soldiers in Eastern Europe. One instrument of Soviet military control, the Warsaw Pact, is due to expire next year but is likely to be renewed. Yet the Soviet Union must now contend with the beginnings of a peace-disarmament movement — official and unofficial — at its very doorstep. That could lead to neutralism. Indeed, Professor Hochman believes neutralism will be the wave of the future in the region.

Angered by Qaddafi's Threats, Saudis Bar His Followers From Mecca

Libya Has Few Friends Among Neighbors

By JUDITH MILLER

TRIPOLI, Libya — In the 15 years since he overthrew King Idris of Libya to pursue his eccentric vision of Islamic utopia, Col. Muammar el-Qaddafi has remained faithful to his ideals of Arab nationalism and Arab unity. But his dream of a unified Arab world under his leadership has remained elusive. Yesterday, he marked the anniversary with an appeal to Arabs to unite to "destroy" Israel. But he seems as politically isolated as ever. At home "the Leader," as he is known here, faces quiet but growing resistance to his radical economic and social policies. Abroad, he is barely on speaking terms with most of his neighbors.

Egypt, despite the more than 100,000 Egyptians working in Libya, has scorned his repeated calls for political union and has closed its side of the Libyan border. Sudan is equally hostile. Last week, Colonel Qaddafi referred to Sudanese President Gaafar el-Nimeiry as a "sick liar." Colonel Qaddafi did not mention the attack last week by Sudanese insurgents on an army patrol boat, in which more than 270 soldiers died. But the Libyan leader has frequently boasted of his support for Sudanese rebels and other "revolutionaries" against governments that he calls "American and Zionist lackeys."

Although Libya and Tunisia last week announced formation of a new joint development bank, the Tunisian-Libyan border was closed for a time this summer. Westerners in Tripoli say cars are still searched at 10 to 15 roadblocks in the 100 miles of road between Tripoli and the Tunisian border. Relations are strained with Algeria, too. Tunisia and Algeria recently spurned an overture by Mr. Qaddafi to add Libya to their friendship treaty with Mauritania. And to the south, 5,000 Libyan troops remain in Chad, chilling relations with France.

The Libyan leader undoubtedly finds his isolation uncomfortable. His agreement last month on a "union" with King Hassan of Morocco, whom Colonel Qaddafi denounced in 1982 as "cowardly," is seen here as an effort to balance his exclusion from the Algerian-led friendship treaty and to neutralize Morocco as a potential enemy in Chad. However, one of Colonel Qaddafi's few supporters, Syrian President Hafez el-Assad, objected to the deal, diplomats said, possibly because of Morocco's occasional willingness to have dealings with Israel. Mr. Assad visited Libya twice in the last two weeks.

Recently, Mr. Qaddafi has made other gestures of moderation. Through Italian Foreign Minister Giulio Andreotti, he sent a message to Washington asking for improved relations. Two weeks ago, he made a similar overture to Britain through Tunisia. Britain broke ties in

April after the shooting incident at the Libyan Embassy in London in which a British policewoman was killed and 10 anti-Qaddafi demonstrators were wounded.

Meeting last week with British Labor members of Parliament, he expressed interest in negotiating the release of six Britons detained in Libya by Revolutionary Committee members but not formally charged, after Britain arrested Libyans suspected of involvement in terrorism. When London reacted coolly, Libya released two of the Britons as a good-will gesture.

Exhorting Pilgrims to Battle

With Libya's oil-dominated economy hard hit by the world oil glut, he has also been seeking aid from Saudi Arabia, Kuwait and the United Arab Emirates, curtailing at least temporarily his vitriolic attacks on them.

Nevertheless, Arab and Western analysts do not believe that Colonel Qaddafi has abandoned the gun for the olive branch. They note that despite Libyan denials of responsibility for mining the approaches to the Suez Canal, circumstantial evidence points to Libyan involvement.

As for the Saudis, Colonel Qaddafi recently exhorted "free brother Moslems" to "liquidate stray dogs" during the pilgrimage to the holiest Moslem shrines in Mecca, Saudi Arabia. He argued in a June speech that by allowing the United States (which he equated with Israel) to

use Saudi territory to help protect shipping from Iranian attacks, the Saudis had permitted the character of the annual Moslem pilgrimage to change. The pilgrimage to Mecca has become a "battleground," he asserted; able-bodied pilgrims have a duty to "liquidate" Libya's enemies. Saudi Arabia, responsible for the care and safety of millions of religious pilgrims each year, was furious.

Last month, Saudi police reportedly turned back two plane-loads of ostensible pilgrims after Libyan passengers were discovered to be carrying guns and the little green books that propagate Colonel Qaddafi's ideas. Last week, two ships carrying Libyan pilgrims were turned away from the Saudi port, Jidda, when the captains refused to permit a search by Saudi authorities. Yesterday, however, the colonel urged Libyans to cooperate with the Saudis for the sake of unity not only against Israel but against American "arrogance" as well.

In June, Colonel Qaddafi set a deadline for Arabs who resist his appeals for unity under his brand of radical Islam. Arab states that did not join his fight against American imperialism in Israel by the 15th anniversary of his revolution, which was celebrated yesterday, would be considered "hostile to the Libyan people." He added, "The revolution will then start and the Arab status quo will be destroyed, with all those who were part of it."

Not all of Colonel Qaddafi's pronouncements are taken seriously. Arab diplomats scoffed, for example, at his recent proposal to Chinese leaders for a union of China and Libya. But over the years, Arab states have learned not to laugh at Libyan threats of holy war and support for internal subversion.

Much, but Not All, Is Forgotten as Korean President Visits Tokyo This Week

Japan Smooths Over Its Imperial Past

By CLYDE HABERMAN

TOKYO — "We are doing some serious soul-searching," Prime Minister Yasuhiro Nakasone said the other day. Mr. Nakasone, who was speaking to South Korean journalists, referred to what he described as "ravages" inflicted by Japan during its colonial occupation of Korea from 1910 to 1945. Japanese, he said, "should deeply repent our past behavior."

The words were uncommonly strong, and their timing reflected the importance attached by Japan to wiping out — or so it hopes — a legacy of guilt. President Chun Doo Hwan arrives this week for the first official visit by a South Korean leader to this country. Mr. Chun and Mr. Nakasone no doubt will devote much time to familiar problems — trade imbalances, foreign debts, technology transfers, tensions on the Korean Peninsula. But few people will be paying strict attention to these earnest subjects. The real point is that Mr. Chun will be here at all.

For weeks the Japanese Foreign Ministry has been promoting the trip with a flow of interviews and statements that rival, and perhaps surpass, the buildup for President Reagan's visit last fall. The Tokyo police have been on full alert. In both Japan and South Korea, the Chun journey is seen as a historic episode, an opportunity, at last, to put the colonial era behind.

The countries have had formal relations for 19 years but effects of the brutal Japanese occupation persist, in terms of lingering suspicions and hard-to-shake prejudices on both sides of the Sea of Japan (which the Koreans call the East Sea). Last week, on the 74th anniversary of the start of Japan's occupation of Korea, students stoned the Japanese Embassy's information center in Seoul and shouted "Stop sell-out diplomacy" in protest against Mr. Chun's trip. The protest also seemed directed against Mr. Chun. Leaflets demanded that Japan stop supporting his dictatorship.

Japan has yet to shake fully the postwar guilt feelings that affects its ties not only with South Korea but also with the rest of the far-flung

Greater East Asia Co-Prosperity Sphere it controlled in the 1930's.

On most bread-and-butter issues these ties could not be better. When Mr. Nakasone traveled to Peking last March, the Chinese went all out with a 19-gun salute, the first for any visiting national leader in two decades. In January 1983, shortly after he took office, the Japanese Prime Minister conspicuously made South Korea his first foreign trip, rather than following the Tokyo custom of making Washington No. 1. Four months later Mr. Nakasone was off to Southeast Asia, where for the most part he was received warmly in such former Japanese-occupied lands as Indonesia and the Philippines.

Diplomacy Replaces Conquest

Japan has succeeded through diplomacy in gaining the stable markets and accessible sources of raw material that it could not hold militarily. As before, it now taps the natural resources of those countries — paying handsomely, to be sure, but making its suppliers willing consumers for its products, a fact apparent from the ubiquitous billboards throughout Asia advertising Sony, Fuji, Casio, Toyota and others.

But Japan still makes other Asians nervous, and not only because of its economic power. Their edginess has not been calmed by Mr. Nakasone's calls for a stronger Japanese military. Periodic controversies — such as the one that arose in 1982 over changes in Japanese textbooks that seemed aimed at casting wartime brutalities in a less glaring light — demonstrate the Asian sensitivity and capacity for anxiety.

Hu Yaobang, the Chinese Communist Party leader, said on a visit to Tokyo last November that he was concerned that Japan might seek to become a "military superpower." After Mr. Nakasone left the Philippines in May 1983, a columnist in Manila warned of Japan's "capability for conquest." The mood is not noticeably improved by the discrimination sometimes directed at other Asians in Japan, or by the habit of Japanese businessmen to regard Manila, Taiwan and Seoul as little more than stops on highly popular packaged

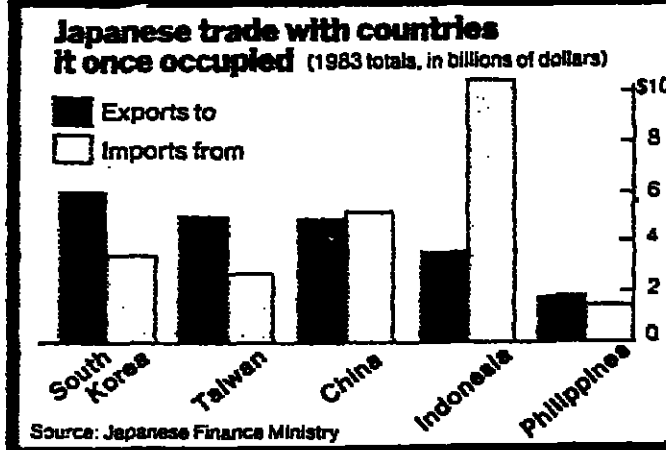
"sex tours." The Tokyo Government recognizes these apprehensions and has tried hard to overcome them. At the same time, Japanese and Western diplomats suspect that other Asian countries are not above playing on Japan's war-inspired guilt complexes to extract a little more aid. In a period of fiscal austerity, the Government has singled out foreign economic aid as the one area other than defense spending that will escape severe budget cuts. When Mr. Nakasone went to South Korea and China, he bore considerable gifts in the form of direct assistance and loans. He also has gone out of his way to try to stifle fears — asserting, for example, in a speech to students at Peking University that "I can state without any hesitation that Japan will never allow the revival of militarism."

Two important Asian countries remain beyond the range of Japanese diplomacy, Vietnam and North Korea. Vietnamese hostility is not expected to subside for a while. North Korea presents a delicate problem because the Japanese Foreign Ministry wants to move toward formal relations but does not wish to jeopardize the good will between Tokyo and Seoul.

The big question regarding this week's visit by the South Korean leader is whether Emperor Hirohito will also express regrets, or whether Mr. Nakasone took care of that for him by deploring Japanese "ravages." South Korea prefers a strong imperial statement, but ardently nationalist Japanese would regard that as going too far. They are not persuaded that Japan has much to apologize for in Asia, and besides, they think that after four decades it is time to stop re-examining old wounds and old guilts.



South Korean-built tires are loaded in Pusan harbor for export to Japan.



Nations Said No to Nuclear Waste Last Week, but U.S. Naval Visits Are Not Ruled Out

Song of the South Pacific Islanders: Don't Dump It Here

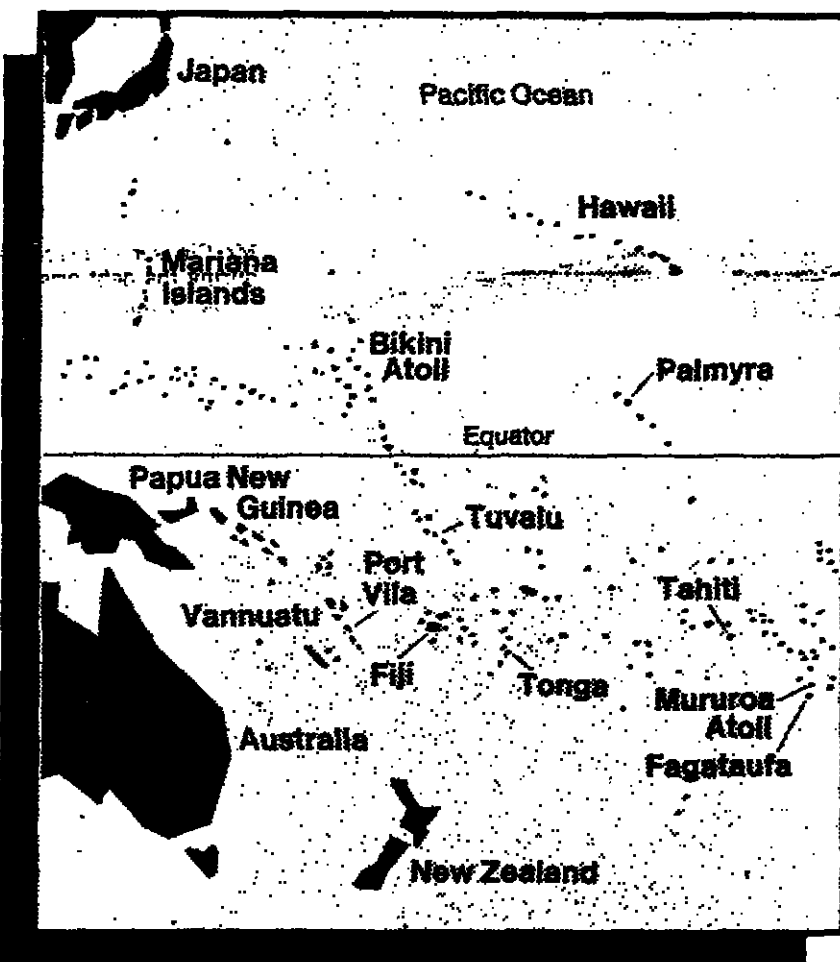
By ROBERT TRUMBULL

HONOLULU — South Pacific governments took concerted action last week to keep nuclear pollution out of the ocean that surrounds them and provides sustenance for their populations.

The members of the South Pacific Forum, a regional organization composed of Australia, New Zealand and 12 small islands that have become sovereign or self-governing in the last two decades, unanimously adopted an Australian proposal that would make the region a "nuclear-free zone." A draft treaty will be submitted to the United Nations for endorsement next year.

The antinuclear statement was accompanied by a condemnation of continuing nuclear tests conducted by France on Mururoa and Fagatafa Atolls, two tiny French possessions about 800 miles southeast of Tahiti. The island states were also concerned about discussions in Japan and the United States of the possible disposal of radioactive nuclear waste in the Pacific. Island leaders fear that radiation from nuclear explosions and leakage from dumped nuclear waste will contaminate the fish, a major food in the islands, and possibly wash up on their shores.

Both Japan and the United States have responded to protests against dumping by suspending such plans, but both countries are apparently keeping their options open. Two scientific groups last week backed France's contention that its tests did not pose a hazard to health or to the environment and said the Japanese plans to dump low-level nuclear wastes contained little risk. The groups, which included New Zealand and Australian experts, warned, however, that the lagoon in



Mururoa might eventually be contaminated by the underground tests.

The draft treaty to be presented to the forum at its next meeting in 1985, while barring nuclear testing, is expected to leave the movement of nuclear-powered and nuclear-armed warships in those waters unaffected. Australian Prime Minister Robert Hawke, who presented the plan, is a firm supporter of military ties with the United States under the 1961 ANZUS treaty, which also includes New Zealand. He and his colleagues affirmed the traditional right of "free navigation" in international waters covered by the proposed nuclear-free zone, although nuclear warships might be barred from ports at the discretion of the individual governments. New Zealand and Vanuatu have already moved to ban such vessels from their harbors, but several of the other states have declared that the American ships are still welcome.

When Enough Is Enough

When New Zealand's new Labor Government under Prime Minister David Lange came out against nuclear warships in that country's waters in July, Secretary of State George P. Shultz warned that the action posed a serious threat to the ANZUS pact, which has been regarded by the mostly unarmed island states as their protective umbrella. The United States has suspended naval visits to New Zealand until next year in the hope of reaching some accommodation with the Lange Government.

The dumping of nuclear wastes may be another matter. The Pacific Islanders have furiously opposed it since this solution to the disposal problem was first broached by Japan and the United States

years ago. The islanders feel that they have been exposed to too many nuclear hazards already — the American and British test explosions on various Pacific islands that ended in the 1960's and the French series that is continuing.

Japanese missions, on half a dozen visits to South Pacific capitals, have tried in vain to persuade the islanders that the waste material, which they wish to sink in strong metal canisters in a deep ocean trough off the Mariana Islands, poses no danger to either human or marine life. But the islanders, aware of accidental breaches of nuclear waste containers deposited in Japanese and American coastal waters, remain skeptical. "If there is no danger," they told the Japanese, in effect, "dump the stuff in Tokyo Bay."

When President Amata Kabua of the Republic of the Marshall Islands suggested that the waste be buried on Bikini, the Marshall island that has been made uninhabitable by scores of American nuclear tests, other islanders gave him little support. The Japanese Government finally chose a remote site in Japan for storage of the waste underground, but has not abandoned the idea of sea dumping. The United States, for its part, considered acquiring uninhabited Palmyra Atoll, about 1,000 miles south of Hawaii and owned by a Honolulu family, for a nuclear dump. The owners said they would not sell the atoll if that was what it would be used for.

An act of Congress in 1982 placed a moratorium on ocean dumping by the United States until the end of this year. Concern in the South Pacific grew when President Reagan's Advisory Council on Oceans and Atmosphere recommended in July that the Government "reconsider" disposal of nuclear waste at sea.

Discovery of Mass Graves Raises Fears That Victims May Include Bystanders



Peruvian troops searching a civilian in Ayacucho.

Peruvian Military Fights Terrorists with Terror

By MARLISE SIMONS

LIMA, Peru — In its stepped-up campaign to wipe out Peru's leftist guerrillas, the military has been killing Indian peasants whose ties, if any, to the Maoist Shining Path movement have not been clearly established. Frequent reports of summary executions are officially denied, but the fresh graves are becoming harder to explain in an area where there has been no recent combat. Last week, two mass graves, one with 50 bodies and another with 15, were discovered near the Indian town of Huanta.

The battle has also taken a toll in the security forces. Last week, Gen. Adrian Huaman, the top commander in the main guerrilla zone in southeastern Peru, was dismissed two days after he blamed the spread of subversion on Government neglect and corruption. Earlier, Interior Minister Luis Percovich said the guerrilla war was responsible for what he described as the "brutalization" of the police. He said that 5,218 policemen, about 8 percent of the force, were being prosecuted on charges that included robbery and murder.

Talk of fighting terrorism with terror has intensified. Showing a videotape of mangled peasant bodies, a police chief at the Andean town of Ayacucho said: "The terrorists have the support of 80 percent of the Ayacucho people." His view, reportedly shared by a number of senior military officers, was an allusion to the military campaign in Argentina in which thousands of armed guerrillas, unarmed sympathizers and peaceful opponents of the Government were killed. Intelligence sources said dozens of Peruvian

officers had gone to Argentina before the military there relinquished power in December for month-long courses in interrogation and intelligence. Argentine counterinsurgency specialists also visited Peru.

Two years ago, when the Shining Path violence started to grow, the civilian Government decided not to launch an all-out drive against the guerrillas, instead dispatching police units backed by small detachments of troops. President Fernando Belaunde Terry, suspicious of the officers who had overthrown him in 1968, argued that a full-scale campaign would cost civilian lives, jeopardize support for his elected Government and undermine the military's newly acquired political neutrality. He has since been widely criticized for his reluctance. "We were afraid to create another repression like Argentina," said Senate leader Manuel Ulloa, who was Prime Minister at the time, "or to have a Central American situation with the country polarized."

Echoes of Guatemala

At first, some military officers also resisted taking responsibility for a "dirty war," a senior officer said. They remembered Peru's 1963 guerrilla war, when some officers disapproved of the rebels' methods but agreed with their complaints of social injustice. As Shining Path violence overwhelmed the police forces last year, however, the military's more forceful counterstrategy took shape. Since President Belaunde put the army in control of 13 provincial emergency zones in southeastern Peru in July, 7,000 troops have been stationed in at least eight new military camps. A counterintelligence expert said they studied the lessons of Vietnam, Colombia and Central Amer-

ica. But critics also see similarities with Guatemala. There, as in Peru, leftist guerrillas recruited desperately poor highland Indians who have kept their own culture and language and resent white colonizers who have long discriminated against them.

In both countries, brutality of the security forces has been blamed for helping to swell guerrilla ranks.

In Peru, as in Guatemala, the Government formed peasant militias. The intention was to crack through cultural secrecy and break up the solidarity of tightly knit communities, forcing Indian peasants to choose between the guerrillas and the Government, a counterinsurgency expert said. As in Guatemala, terror assumed a central role. The impact of disappearances and dead bodies in the fields, he added, "has a strong multiplying effect."

Tracking the campaign has become increasingly difficult. The Maoist guerrillas disdain the press and dismiss other Latin American insurgents as "bourgeois revisionists." The military has controlled information tightly, denying reports of army killings and barring reporters from some areas. When foreign reporters visited Ayacucho recently, military officers seized documents from one correspondent and questioned others for three hours. A Huanta journalist, Jaime Ayala, has not been seen since he entered the marine camp at Huanta on Aug. 2 to inquire about a massacre. The marines have denied they are holding him.

"Disinformation" is part of the military's strategy, intelligence sources said, but the Peruvian press has begun to do its own digging. Last week, the magazine *Caretas*, usually well-disposed toward the Government, said marines, not guerrillas, killed six members of an evangelist church on Aug. 1. Church leaders in a formal deposition said the marines had pulled the men out of the service and ordered the rest of the congregation to sing. According to witnesses, the marines claimed to have found evidence that the church harbored terrorists. The "evidence," witnesses told reporters, was a deposit of wooden rifles and masks, used by schoolchildren in the Independence Day parade.

The Economy

WASHINGTON

Taken together, these factors make it likely that Mr. Clausen, who was originally chosen as a possible leader for the entire decade, will bow out when his five-year term expires on July 1, 1986, no matter who is elected President in November. As the World



—A. W. Clausen

Mr. Clausen—who spent three decades at the Bank of America in California, building it into a giant of

Under Mr. Clausen, staff members say, there has been a proliferation of paper work, with employee opinion surveys, job descriptions, job evaluations, career counseling and other such things filling up an increasing portion of the working day for the

Still, he and other critics suggest that the bank should have been doing more to provide leadership in the crisis period and help restore confidence in the financial system.

In 1980, the last full year of Mr. McNamara's reign, the governments that are stockholders in the bank agreed that "special circumstances" did indeed exist that should allow the Bank to get away from strict project lending. A "Structural Adjustment Lending" program was created under which the bank conditions loans on the borrowing government's taking certain measures to make a sector of the economy more efficient.

A further problem is that in financing such development projects, the

A senior Reagan Administration official said the United States stuck at the low figure because it felt that countries such as India and China, which have the creditworthiness to raise money in private capital markets, should be "graduated" from the I.D.A. loans.

BY GORDON GRAFF

Indeed, would-be sellers of liquid crystal displays for computers are facing a Catch 22 situation. With computer price wars becoming commonplace, few computer makers are likely to jump at any technology that will make their products less readable or force them to raise their prices. Yet, unless L.C.D. makers can sell enough displays to get per-unit costs down, "the flat panels don't have a chance," warned Mr. Rudenberg of A. D. Little.

Troubled Thrift Unit Gets New Chairman

Big Blue struck again, this time with aggressive price cuts in its most sophisticated mainframe computers. For the second time this year, I.B.M. slashed prices on its 308X processors and 3380 mass storage disk drives. The price cuts ranged between 10 and 16 percent. Companies most likely to feel the pinch will be Amdahl and National Advanced Systems, a unit of National Semiconductor.

WEEK'S MARKET AVERAGES				New Highs	47	52	
	High	Low	Last	Change	New Lows	21	26
New York Stock Exchange							
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The New York Times

Founded in 1851

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ARTHUR HAYS SULZBERGER, Publisher 1935-1961
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Acid Procrastination

Throughout the Eastern seaboard, the acid brought by rain, snow, dew and fog is stretching the natural resilience of lakes and soils to their breaking point. The poison is so diffuse and gradual that overt damage is hard to pinpoint. But already the warning signs — dead lakes, damaged crops, forests of stunted trees — presage a massive natural disaster. The Administration's undeviating response to each new danger signal is to call for another study.

Last week the Environmental Protection Agency turned down another opportunity for action by rebuffing a petition from New York and other states to curb the sources of acid rain in the Midwest. Lack of definitive proof of harm, the agency says, bars taking steps under the Clean Air Act to control acid pollutants.

How much proof does the Administration need? It finds a few dubious samples sufficient evidence of yellow rain, the toxin it alleges the Soviet Union supplied for use in Southeast Asia. But with acid rain that threatens half of America, the conclusions of impartial experts based on innumerable studies are somehow inadequate.

Some 27 million tons of sulfur dioxide and 21 million tons of nitrogen oxides are emitted annually, much of it from the tall stacks of coal plants in the Midwest. The gases are carried east by the prevailing winds, and converted in passage or on arrival to potent acids. This massive chemical burden cannot always be fully neutralized by soils and water. Widespread damage then ensues, even

though the precise mechanisms of harm have yet to be determined.

Reviewing the evidence of ecological damage, the National Academy of Sciences in 1981 advocated a "prompt tightening of restrictions" on the emissions from coal plants that contribute to acid rain. Unhappy with that and other scientific reports, the White House commissioned its own review, which urged a curb on acid rain in even stronger terms.

The Administration has delayed publishing the full report of its acid rain panel, but a summary was released last year. It concludes that the damage from acid rain is potentially so serious that action should begin now even though absolute proof of cause and effect remains elusive. It may take decades for a damaged ecosystem to recover, the panel observed; hence "actions have to be taken despite incomplete knowledge."

A thorough investigation by the Congressional Office of Technology Assessment concluded this June that 17,000 lakes and 112,000 miles of streams are threatened by acid rain. Broad areas of forest exposed to acid rain and ozone, a byproduct, are also at risk. Ozone also damages crops, and reduces American agricultural productivity by 6 to 7 percent, in the report's estimate.

An acid rain program, even if begun now, would take 7 to 10 years to produce a significant reduction. Such a program would cost \$3 billion to \$6 billion a year, and could be financed affordably by a Superfund-style levy on utilities. Acid rain is the gravest environmental threat of the decade, but the Administration has already wasted four years in stubborn refusal to acknowledge it.

Summer Boom and Bloom

A friend with a summer place has been paying particular attention to its sounds as well as its sights lately.

By cutting an old field that was growing back to woods, he doubled the species of birds he would have heard if trees had swallowed up the open spaces (and greatly varied the flowers he sees). Owls come to roost over the field at night. Being an early riser, he picked up a \$3 rooster from the farmer over the hill to provide some cheering news at dawn and a few elderly hens to put out to pasture — Rhode Island Reds, barred Plymouth Rocks and yellow Polish hens with fancy topknots.

Although a brook runs through, he wanted to hear more frogs celebrating the hot weather. So for \$110 he had a frog-sized pond bulldozed. Rather shortly, spring peepers and green and leopard frogs established themselves, along with enough water plants to support innumerable tadpoles and the turtles he'd collected on the road.

For \$20 he bought two orange-billed, yard-tall, gray and white geese and steered them to the pond. Then at an auction, for only \$2.50, he acquired a

green-headed mallard drake with coral-colored legs. Now honks and quacks and gabbles were added to the rooster's crowing and the natural ensemble of grouse drumming, crows cawing, frogs croaking and the songbirds' myriad trills.

The geese's sentinel necks sometimes make them look like cranes, and their cries at sunset are wild. (They also answer when our friend blows his nose.) His one uncertainty had been that their rocking-horse-style bathing and wing-flapping and tail-wagging would dampen the frogs' enthusiasm, but on the contrary, the frogs croak even louder. What is more astonishing, the turtles, which had hid from him as long as the pond was bare, nowadays paddle toward him uninhibitedly when he throws bread to the geese, bobbing with just as much excitement as if they too ate bread.

The turtles, of course, are silent in all these festivities. In a lab, they would test for smartness about like a white rat. Yet still living, as they do, in the Triassic period, 200 million years ago, their unexpected participation somehow seems a thunderous affirmation of this summer's bloom and joy.

Shamocracy in South Africa

South Africa wants the world to believe that it is somehow moving to racial justice by establishing separate parliaments for some nonwhites. But even those supposed to benefit are unconvinced.

Only 20 percent of eligible voters bothered to take part in a recent election of a chamber meant to represent 600,000 Indians.

This followed a meager 30 percent turnout the week before for the chamber representing 2.8 million persons of mixed blood.

What South Africa's Prime Minister P.W. Botha solemnly calls a "new dispensation" is nothing of the sort.

When he proposed adding two nonwhite chambers to Parliament, he made plain that there were no plans for similarly enfranchising South Africa's black majority — they have political rights solely in their "homelands," impoverished make-believe nations created according to the gospels of apartheid, or racial separation.

That essential injustice is hardly mitigated by giving a semblance of power to some nonwhites. And the paltry turnout lessens whatever optical value these chambers might have in bettering South Africa's image. The loudest voice in these elections was the truly silent majority's.

Topics

Numbing Numbers

"The answer is Butterfield 8-5000. What's the question?"

"How many hamburgers did Butterfield eat?" was comedian Steve Allen's reply. Another one would be, "How did people call 266-5000 before the phone company became obsessed with numbers?"

New York Telephone seemed mystified that anyone would object to replacing named exchanges with numbers and today professes to be just as mystified about objections to a new area code, 718, for Brooklyn, Queens and Staten Island. But there's no mystery. New Yorkers are already overdoing on numbers.

Consider the normal contents of any wallet or purse. The Social Security card carries nine digits, the checking account another eight.

Those are relatively modest compared with the American Express Card and the Con Ed bill with 15 digits each, and the driver's license — 1 letter, 18 digits and a hyphen.

All of that already comes to 65 numbers to be produced on demand when making bank deposits, paying bills

Reaching Out

and cashing checks. (Con Ed even asks that you write its number on the outside of the envelope, after you've sealed the bill inside.)

And that's before all the department store accounts, zip codes (now up to nine digits for some business addresses) and the secret personal identification number you have to carry around in your head if you use a cash machine.

What's really annoying about being served with a new area code isn't the three numbers. It's the assumption that our capacity for remembering numbers is infinite.

American Neighbor

A friend, raised in the small-town America that so often evokes the President's nostalgia, returned to her old home recently. On hearing an elderly aunt speak of "Steve and his wife, Betsy," she assumed they were new neighbors. Yes and no. They're characters in a soap opera, and, therefore, fiction. But they are also constant guests in her aunt's home, and, therefore, a fact of her life.

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Letters

Impossible Republican Dream

To the Editor:

Having attended the Republican National Convention at the invitation of the Republican National Committee, I share Tom Wicker's doubt about the Republicans' chances of becoming "America's party" (column Aug. 24).

Conservative slogans may haul in votes and money at this moment in a backlash against anti-family groups and big spenders, but they simply do not fit into the essentially revolutionary history of the American people.

While many Americans are good conservatives with respect to their family lives and personal finances, the entire history of the country points in the other direction: toward innovative, progressive, pioneering causes in domestic and international politics.

The ideological sentiments that motivated the Revolutionary War, the War Between the States, F.D.R.'s New Deal, L.B.J.'s poverty programs, Martin Luther King's march for civil rights, the League of Nations, the United Nations, NATO and free-world trade are as alive today as they have ever been.

As a person who has spent a third of his life in Europe, I suggest this

generalization: In Europe, the conservatives always win in the end. Being threatened by the extreme left, millions of Europeans sought safety with Mussolini, Hitler, Franco; their radicalism was followed by conservatism of the Christian Democrats in Italy and Germany, by the monarch in Spain and by the Gaullist republic in France.

In the U.S., evolution moves in the opposite direction. The progressive causes (avoiding the ambiguity of "liberal") are the ones that alone can capture and hold the minds and hearts of the American people. The great service that Ronald Reagan could render to his party would be explaining more fully to the rank and file why he was a Democrat for many years and leader of a labor union.

Americans may personally favor religion but will reject any governmental sponsorship of religion or sexual mores. As the U.S. waves the banner of liberation before the oppressed nations of the world, it cannot tolerate any kind of repression at home but must constantly reaffirm by word and deed the whole range of dynamic values contained in the concept of liberty.

PAUL R. NEUREITER
Geneseo, N.Y., Aug. 25, 1984

An Overdue Return To Religious Values

To the Editor:

Your Aug. 25 editorial attacking the President's prayer breakfast speech misstates the thrust of the President's statement. Moreover, it trivializes the issue when it speaks of the President's first marriage.

The President stated essentially that this nation, as attested to by the basic documents and pronouncements of our history, was founded upon the religious values of the Judeo-Christian tradition. That is true.

However, the last quarter-century has seen the Supreme Court substitute its royal will for the popular will. Those deeply held values were discarded by a Court that substituted its own secular views for the religious sensibilities of the American people. Decisions treating with prayer, abortion and Bible reading breached the public consensus of American society by a fiat that had no warrant in the common law, the statute law or the Constitution as understood by legal minds for nearly two centuries.

No Congress could have ever written and passed such bills, and no President would have ever signed such bills into law. The reaction to these affronts to the religious beliefs of the vast majority of the body politic has been deep and pervasive.

Fundamentalism and Catholic traditionalism have been spurred by this reversal in religious values, with good reason. The poets and philosophers have long recognized the impossibility of constructing a culture and a civilization protective of the human condition without the rock of religious faith and values.

It is not the President who is divisive; it is the Times which desires to foist its own secular faith upon the people.

ANTHONY L. PIAZZA
Avon by the Sea, N.J., Aug. 27, 1984

Ferraro's Friend

To the Editor:

I note that the combined income of Mrs. Ferraro and her husband for the year 1979 was \$148,003. For 1983, their combined income was \$273,000 and change. Would it be fair for Mr. Reagan to ask her and her husband, "Are you better off today than you were four years ago?" If her answer is the obvious yes, then my question would be: Why are you running around the country bad-mouthing the best President we have had in my lifetime (and I am 82 years old)?

WALTER M. CASKEY
Ocean City, N.J., Aug. 23, 1984

High-Tech Arms That May or May Not Work

To the Editor:

The report of quality-control lapses in Hughes Aircraft's work for the Pentagon [news story Aug. 29] should engage the quick and determined attention of the Reagan Administration. The President and his defense advisers have been persistent in their emphasis on increasingly high technology in America's weapons systems, dismissing too easily the widely held public suspicion that this policy puts at risk two elements critical to military strength — reliability and ease of use.

To the Editor:

Your editorial "Family Planning Isn't Socialism" (Aug. 28) rightly objects to the White House position that "population growth is, of itself, neither good nor bad."

The current population growth rate in many less-developed countries is so high in relation to their available resources and technology that under the existing international environment it seriously hampers their development efforts wherever they may stand in the capitalism/socialism continuum. There is very little disagreement

It Is Time for a Poet To Go Up Into Space

To the Editor:

President Reagan has decreed that the first "non-scientific" American to go up into space will be a teacher. We have been assured that there was nothing political about that decision, even though the announcement was made in an election year to a gathering of teachers — a sizable segment of the electorate.

Admittedly, even the least articulate teacher is likely to be an improvement over the "Gee whiz, Mom, ain't it great?" style of reportage with which our astronauts have regaled us over the past two decades. Still, in a society that prizes language and its ability to convey complex emotions succinctly, the choice should have gone to a poet, for that is the poet's mission and the essence of his craft.

But what poet? No one springs to mind who can truly lay claim to a national voice — no Whitman, no Sandburg, no Robert Frost. The Russians might muster up Yevushenko, but whom would we? A sobering thought, and one which surely never entered the Great Communicator's mind while pondering his "nonpolitical" decision.

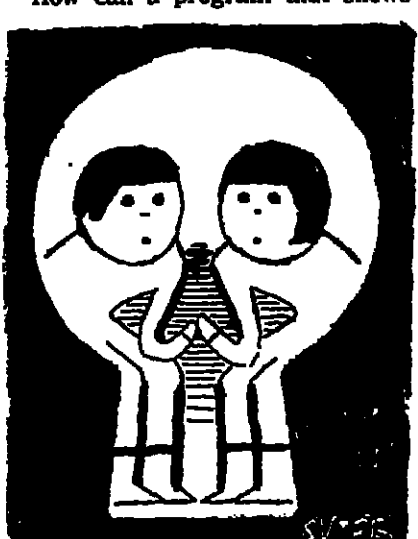
DANIEL L. AUBRY
New York, Aug. 29, 1984

On Making Children Think About Death

To the Editor:

The Aug. 26 issue of The New York Times carried an Associated Press dispatch entitled "Children Learn That 'Dying Isn't a Vacation,'" a description of a Boston Children's Museum's exhibit that purports to "make life less threatening to children," in the words of the program's developer.

How can a program that shows



maggots devouring a dead mouse, reminds in an even voice that all things will soon die, presents images of bullet-ridden corpses and shows the handling of a plastic-covered dead frog to anything but make life more threatening to a pre-adolescent?

Janet Kamien, developer of the program, reasons: "Death is a compelling issue for adults. It's got to be a compelling issue for children."

This has got to be one of the most absurd, insensitive and narrow-minded claims in a long time. How can one ask a child who has not yet experienced the sorrows of

life to step out of his blissful childhood prematurely?

Children have a wonderful innocence and sense of joy about them that most adults would give much to restore into their own lives. Why force the issue of death upon them? It will unfortunately present itself soon enough.

There are only two types of children who will experience this museum's exhibit: those who have had an experience relating to death (or for some reason must now face it), and those who have not yet had such an experience.

For those who have had the experience, having lost a loved one, what good can such a display do for the child's peace of mind? It can do nothing for such sorrow, as it only shows how "cleverly" makeup can be applied to a corpse. Can an 8-year-old who has lost his grandmother really feel better in knowing how the body feels in a coffin? Better to help the child appreciate the love that he had for his grandmother and to know that she loves and is with him still, though she has left this earthly plane.

And for those who have not yet had to face death, why press the issue? Can we possibly learn how death feels without actually experiencing it? No. And again, why try?

The article points out that many adults "linger longer than their children." They should confront their own fear or morbid curiosity about death on an adult level, but they should not force it on their children.

Let us teach our children to celebrate life, not to wallow in the fear of death. The article quotes one 8-year-old boy as saying: "I hate thinking about death." Who among us shall make him?

BRIAN C. HARTZER
Darien, Conn., Aug. 26, 1984

Two Paths to Controlling Population Growth

To the Editor:

Your editorial "Family Planning Isn't Socialism" (Aug. 28) rightly objects to the White House position that "population growth is, of itself, neither good nor bad."

The current population growth rate in many less-developed countries is so high in relation to their available resources and technology that under the existing international environment it seriously hampers their development efforts wherever they may stand in the capitalism/socialism continuum. There is very little disagreement

that both development and family planning are necessary for slowing the population growth rate in these countries.

Research conducted on population and development during the last two decades has established causal links between several socioeconomic variables and declining motivation for large families. For example, people want fewer children as infant mortality declines, education (particularly of females) spreads and modern institutions for security in old age and against various types of risk develop.

There is no reason to believe that these changes occur more or faster in a capitalist economy than in a socialist economy. In this sense, your unqualified support of "competitive enterprise rather than central planning" and "individual initiative" as successful development strategies is, in the least, debatable.

MONTAG
Senior Associate, Population Council
New York, Aug. 27, 1984

Good Day

To the Editor:

This contains no messages, no response to an editorial, no political opinion. I simply want to state publicly how wonderful it is to be alive. What could be more glorious than waking in the morning to see the sun shining or to hear the musical sound of rain against the window and, after a day spent hard at work or play (depending on the day of the week), to get into bed with a delicious (redness). If I am lucky, the experience will repeat itself tomorrow.

DORIS GUSSEN
New York, Aug. 26, 1984

Who'll Make Up a Presidential Mental Profile?

To the Editor:

Dr. Leopold Bellak again raises the issue of neuropsychological testing for political candidates, claiming that the reliability and validity of these procedures are equal to those of medical tests (letter Aug. 26). While this may be true, defining standards for good mental health is not nearly so clear-cut as it is for physical health.

Those aspects of mental functioning which are desirable for one role are not necessarily optimal for another. We have empirically derived profiles of mental qualities that delineate

potentially successful candidates for a variety of occupations — different profiles, for example, for teachers than for airline pilots. Who is to decide on the appropriate profile for a President?

PEARL O. HOBERMAN
Teaneck, N.J., Aug. 26, 1984

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Modernism Owes Debt to Degas the Radical

By MICHAEL BRENSON

"It is always a windfall to have works by Degas to look at," the French art historian and critic André Chastel wrote in 1969 at the time of a Degas exhibition at the Louvre. The quality, elusiveness and sustained intelligence of Degas's achievement is such that an article on almost any exhibition of his work could begin the same way. It is particularly fortuitous to be able to see Degas this year, in the context of major exhibitions on Jean-Antoine Watteau, one of his key ancestors; Edouard Manet, one of Degas's inspirations; James McNeill Whistler, a kindred spirit and friend of Degas for more than 40 years; and Picasso, the heir apparent to the Parisian artist's extraordinary technical inventiveness and virtuosity.

As familiar as Edgar Degas is, the last word about him is far from being said. A rebel who loathed the art academy, collected new art and wielded pencil, pastel and brush with as much panache as a master conductor wields a baton, Degas also built his images with painstaking care, copied the Old Masters all his life and, like Whistler, believed in a need for artifice. "My pictures are the result of a series of calculations and an unlimited number of studies," he once said. "Only when he no longer knows what he is doing does the painter produce valuable work," he said on another occasion.

Near the heart of the Degas puzzle is a strange and sometimes disquieting tension between the intimacy of the artist's point of view and an icy and sometimes violent coldness. The abrupt croppings and disjunctive spatial juxtapositions that bring us close to unsuspecting dancers, performers and bathers also judge and sometimes seem to violate the earnestness



Degas's "Uncle and Niece" (1875-78) in the exhibition at the Art Institute of Chicago—an emphasis on painterly effects and technical diversity

and unselfconsciousness of their actions. The distancing power of the acute eye that holds Degas's works together seems both to merge and to collide with the tactile, almost visionary power of his hands as they

awaken wax, canvas and paper. Degas continues to be of such interest in part because what is great and what is problematical about his work is clearly inseparable.

There are three distinct opportu-

nities to try to piece together Degas during this sesquicentennial year of his birth. The most comprehensive exhibition is at the Art Institute of Chicago through Sept. 23. Drawing exclusively from the formidable collecting resources of the Chicago area, the museum has assembled 128 works in all media in which Degas worked: drawing, pastel, painting, graphics and sculpture. The core of the show is the museum's own collection of 92 works by Degas, which is generally considered the third most important Degas collection in the world. For the Louvre and the Metropolitan Museum of Art. The strength of the institute's collection lies in its emphasis on the painterly effects and technical diversity of Degas's work. The show is weakest in the 1880-75 period, when Degas evolved his own style out of Ingres's Neo-Classicism and, like Manet and the Impressionists, committed himself to Realist principles and subject matter.

The two other Degas exhibitions in the United States, both ambitious undertakings, are: "Edgar Degas: The Painter as Printmaker," at the Bos-

ton Museum of Fine Arts from Nov. 14 to Jan. 13, and "Degas: The Dancers," at the National Gallery of Art in Washington from Nov. 22 to March 10.

Degas has a good deal in common with Watteau, who is currently being accorded a retrospective at the National Gallery. Indeed, Watteau was one of the rococo artists in whom a number of French artists, including Degas, Manet and Renoir, were interested between 1850 and 1870. Both Watteau and Degas were prodigiously talented draftsmen who had the rarest kind of feeling for surface — from the surface of paper to the surfaces of the life around them. In both artists, there is also an indirectness that is one of several links between them and Leonardo.

Most important, Watteau and Degas were both fascinated by theater, costume and music. What makes Watteau so mesmerizing is the tension between a romantic longing for a glittering and magical world of illusion and a profound awareness of the vanity of that world and of the implacable movement of time. Watteau lures us into a paradise that is inaccessible or lost.

Degas was born into a century of greater upheaval and, apart from some landscapes, his work, though occasionally dreamlike, is never wistful. Even in the closed atmosphere of his 1876 "Absinthe Drinker" at the Metropolitan, there is a corrosiveness that eats into the blanket of alienation and gloom. Degas was personally drawn to ballerinas, musicians and prostitutes — to those who seemed to him to respond immediately in a sensual way while concealing their essential selves — but he was also intellectually committed to subjects of modern life, and he harbored fewer illusions than Watteau. In the 1879-84 "Millinery Shop," for example, in the Chicago show, Degas takes an attractive, young working-class woman immersed in the process of creating a hat, but the sense of her well-being is undermined by the way in which a group of hats on display seem to be judging her.

With this kind of irony, we are close to Manet. Degas and Manet shared an upper-class background, a highly cultivated intelligence and a need for recognition from the art academy both men detested. Manet and Degas are the only two major 19th-century French artists whose works read like detective stories. "A picture is something that requires as much cunning, trickery and deceit as the perpetration of a crime," Degas said. With

both, we must constantly look for the detail or juxtaposition that will tear the gloss off appearances and reveal a hard truth. This irony is Manet's and Degas's enduring contribution to Realism.

The differences between the two artists are just as instructive as the similarities. Manet's work has an exemplary clarity and objectivity. We know where he is. We feel that Manet cared about the people he painted and knew exactly what he felt and wanted to say about them. As a result, we believe that the attitudes he communicates, no matter how indirectly, are appropriate not just to those people but to his time.

On the other hand, we are not always sure Degas himself knew what he thought about the people to whom he was pictorially wedded. More often than not, Degas seems somewhere else, on another plane. The people he depicts expose and conceal themselves, like his paintings — a tension that reflects his ambition to be "famous but unknown."

Where Degas's responses are unmistakable is in his approach to his artistic media. Theodore Reff, one of the foremost Degas scholars, wrote that Degas had a "fascination with the technical as such." When Degas set pencil, pastel and paint to paper and canvas, everything that was muffled and muted in his approach to his subjects exploded with a technical freedom that is almost unparalleled before Picasso. In part because Degas's initial response tended to be brusque and intellectual and he believed in the necessity of combining Ingres and Delacroix, intellect and feeling, he trusted and gave himself to the technical side of his work completely.

In his technical freedom, we find Degas's essential legacy to Modernism. Mr. Reff points out that Degas introduced fabrics and found objects into sculpture and raised pastel to a major artistic medium. In the institute's "Two Dancers" from around 1880, he placed strips of paper together, allowing the edges to remain visible, thereby emphasizing an unfinished quality. In a monotype like the "Two Connoisseurs," from around 1878, the engraving plate is scratched and worked in a way that seems as raw and expressive as a German Expressionist painting or print.

Like Picasso, Degas saw the different materials in which he worked in relation to each other, and he was likely at any time to do anything. He let ink spread and drip.

Real Spies Don't Enjoy Potrayal in Spy Movies

By LESLIE H. GELB

Spies generally don't like spy movies. They say it is not because of gadget envy or envy of James Bond's females, and I believe them. It is, well, because they don't like being thought of or portrayed as "spies" — those skulking or bionic creatures engaged in feats of superhuman stunts or violent acrobatics that you tend to see on film.

They see themselves as intelligence agents, with the accent on intelligence. Their idea of fun is watching grass grow into an odd insight or, better still, a trend. If any fictional spy is heroic to them, it is George Smiley of John le Carré fame, portrayed by Alec Guinness in the BBC's "Tinker, Tailor, Soldier, Spy." Even that television portrayal was a bit racy by their standards. "The book was much better," said Ray S. Cline, a former head of covert operations in the Central Intelligence Agency, because it was even more leisurely and complex.

After talking with a dozen or so former and present American spies about spy movies, I get the feeling that even the name of the organization, C.I.A., is not good enough. They seem to prefer the name used for the organization in World War II, the Office of Strategic Services, or better yet, Mensa.

To them, spying is a cerebral exercise, and they see themselves as



Sean Connery in "Diamonds Are Forever"

Mr. le Carré's "Spy Who Came in From the Cold."

The spies consider the recent crop of spy movies, in particular, to be terrible. That includes James Bond in "Never Say Never Again" and in "Octopussy," the Russian detective who gets involved in spying in "Gorky Park," the female Sam Spade in "Trenchcoat," "The Osterman Weekend" that is so bad it defies description, and the spy spoof by the title of "Top Secret." At least "Top Secret" had one good line, delivered by an East German who says that he had an uncle born in the United States "but he escaped during the Carter Administration — in a balloon."

It is not that the real spies object to spy movies as entertainment; it is just that they are not entertained. To Walter Pforzheimer, 42 years in the intelligence business and one of the men who helped bring about passage of the 1947 act that established the C.I.A., their careers are "too serious" for the screen or even most books.

There is about them a quality of sparseness which both inheres in their business and which they cultivate, something that cannot be readily dramatized let alone Hollywoodized. Their secrets make them feel different. They can talk only about what they are doing to each other, and even then, on a special need-to-know basis. "You can't come home from work and tell your neighbors or your wife, 'I met the nicest spy you ever saw at the office today,'" explained Mr. Pforzheimer. Only a few movies, like "The Human Factor" based on the Graham Greene novel, convey this isolation.

To Mr. X, a former agent-in-the-field and top manager of covert operations, it is more than that. "There is a different kind of camaraderie from other trades, the fact that you're dealing with people on a one-to-one basis, particularly in espionage and counterespionage. It is the case officer and his agent. You're not reporting to a multitude. It's only a handful of people who know who your agent is. It's an exclusive basis. You feel more exclusive." The exclusivity of most spy movies derives from sexual and physical prowess — not the feeling of specialness that comes from secret knowledge.

Theirs is a life that is hard to share. The spies I talked to had some of that feeling from Thames Television's most recent spy venture, "Relly: Ace of Spies," based on a real person. Relly, born Sigmund Rosenblum, a spy for Britain and whoever paid him, does have more than his share of close calls and women. But of greatest importance to the real spies is that

no one really knows him. They like that.

This is more than remaining anonymous. That, too, is very important to them and something moviemakers are not terribly interested in conveying. Almost all the movie spies are instantly recognized as soon as they arrive on the scene. Sean Connery's James Bond in "Never Say Never Again" is even attacked while on a rest cure at a spa. Even Michael Caine in his deft portrayals of a British spy in "The Ipcress File" and "Fahrenheit 451" is too well known to his adversaries.

Not that the spying business doesn't have occasional moments of drama. Mr. Colby, for example, led a team of commandos in World War II to blow up the Nazi heavy water plant in Norway, thus slowing Hitler's drive to develop his atomic bomb. He remembers other forays, such as blowing up bridges "to show it could be done," not because the effects were lasting: "They'd repair it quickly."

But these adventures were the exception, not the rule, of espionage to Mr. Colby and the others. They were of a time long past, not the modern intelligence but "the old spy business," as Mr. Colby calls it, "when you could steal a secret, give it to the King so that he could win the big battle."

Spy movies haven't caught up to the fact that modern intelligence has little to do with people, the lifeblood of drama, and much more with technology. Human intelligence-gathering has been largely replaced by machines and people who know how to



Alec Guinness in "Tinker, Tailor, Soldier, Spy"

run the machines and by organizations and people who know how to run them. The modern spy hardly ever sidles up to a door to overhear a conversation. Conversations are snapped out of the air by special long-range listening devices. No one is needed to don a disguise and slip into the Russian countryside to see how the crops are doing. The cornfields are photographed with great precision by reconnaissance satellites in orbit thousands of miles above the earth.

This is power undreamed of by spies of yesterday in search of a scrap of information. It is a waterfall of facts. It can only be digested by the computer and its programmer and analysts.

Many of the real spies, it should also be said, are not very happy with the political views of the one man who wrote of their lives most accurately, John le Carré. "His attitude is a plague on both your houses, that the United States is as bad as the Soviet Union," said Mr. Y. "Le Carré really attacks intelligence as intelligence, that it's all a dirty business — and we don't think we're as bad as the Russians."



Richard Burton in "The Spy Who Came in From the Cold"

scholar, investigative reporters piecing together bits of puzzles. George Smiley's faithful wife understands this all too well when she says to him at the end of the last episode: "Poor George, life's such a puzzle to you, isn't it?"

To hear them tell about their trade/craft, there is precious little adventure, no naked lady spies of American vintage, although the Russians are said not to share our Puritanism, no karate lessons for those being sent into the field, hardly any killing or gore, and few gadgets for escape because they are too expensive. In other words, no fun for the moviegoer.

To William Colby, former Director of Central Intelligence or America's top spy, a real spy has to be "a gray man who has a hard time catching the eye of a waiter in a restaurant." As a result, "I still have a hard time catching a waiter's eye in a restaurant." Better yet, he has to blend into whatever background he lives in and role he plays. To the real spies, the only one who did this successfully was Richard Burton in the film based on

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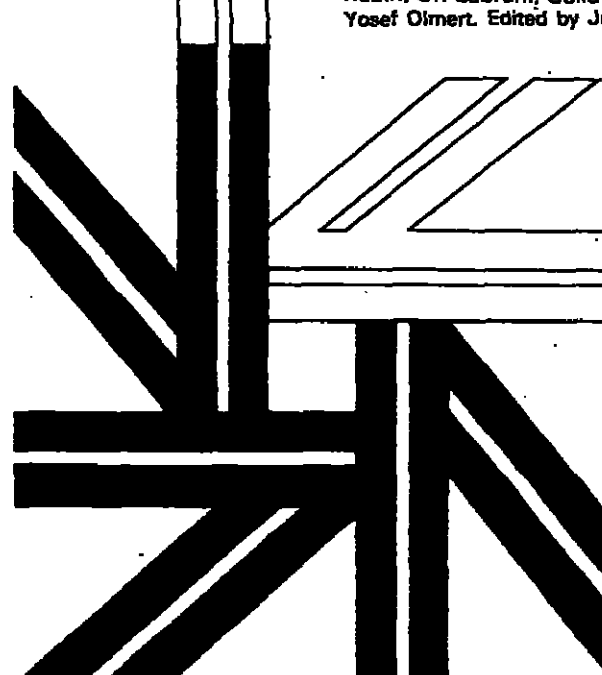
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Evading that fatal embrace

The Post's Sraya Shapiro attends a conference of historians on the survival of small states.

SMALL NATIONS require a great deal of courage, duplicity, and sheer chance to evade the fatal embrace of their larger neighbours. Commonly recognized as this is by cynics, the theme was recently pursued by a panel of historians who met for a week under the auspices of Tel Aviv University. They discussed how small states fared in the past in keeping, or fighting for, their independence when faced with the encroachments of big states.

Their examples concerned mainly central and western Europe. Eastern Europe was never mentioned, but Israel was, of course, at the back of everybody's mind. And there was, perhaps, a subtle warning in the opening remarks of André Corvisier, president of the Paris-based International Commission for Military History which organized the conference, that "David does not necessarily emerge the victor in the conflict, for he may become the victim of a league of Goliaths."

Is there a formula according to which small nations conduct a fight for freedom? Former Knesset Member Dr. Meir Pa'il envisaged three conditions, or rather, characteristics, necessary for success. The fighting small nation must be internally strong, the opposing big nation must be in the process of weakening, and other big powers must lend their support to the rebel. Israel, for instance, would have had little chance of success if Great Britain had not been losing some of its greatness at the time of Israel's War of Independence.

ONE SHOULD, of course, add another component to Pa'il's formula, namely, the state of mind of the ruling circles of the big nations concerned. However exhausted by World War II, Britain was certainly strong enough to crush the Jewish resistance (or perhaps we should say the Irgun and Lehi) had not Whitehall bowed to public opinion and overall national designs and de-

cided to end its direct involvement in Palestine. And the same argument applies to another successful uprising, the Irish rebellion of 1916-21.

It is assumed by Pa'il that a successful revolt cannot hope to achieve all its goals. A small nation simply cannot "dictate unconditional surrender" to the big power. To achieve any success, a rebellion must be brief. And it stands a greater chance if the rebels are armed with better weapons than the rulers.

This argument obviously echoes the heart-rending hesitations of the Zionist establishment before and during the War of Independence. One recalls Moshe Sharett's emphatic insistence that Moshe Dayan's advance in the Hebron area be halted, because he believed "the Christian world would not accept the idea of Bethlehem being in Jewish hands."

And David Ben-Gurion, who would always take a calculated risk, kept a close watch on the reaction in the world, particularly in the United States, to what Israel was doing. Twice within a decade, noted Netanel Lorch, the former clerk of the Knesset, the U.S. exercised pressure on Israel to withdraw from the Sinai. In 1948, the American ambassador transmitted what was described as "a virtual ultimatum" from Britain to Ben-Gurion invoking the British-Egyptian friendship treaty. In 1956, the Americans supported the threat made by the Soviets in a letter written by Bulganin.

Documents now prove beyond doubt that there was no British ultimatum in 1948, and that the Soviets

never seriously considered intervention in 1956. Why did Ben-Gurion take the threats at their face value? Because, Lorch maintains, Ben-Gurion was aware of emotional attitudes in the world towards the Jewish state. The fact was that it was the U.S. which was interested in Israel's withdrawal from Sinai, and used oblique threats to achieve this without losing face in Israel.

IT WAS SWEDEN'S Goeran Ryttad, professor of history at Lund University, who commended the merits of "Pa'il's formula" while describing how Sweden tried to maintain its independence in the 17th century. The Swedes, basically a rural and extremely conservative society, fought to build an empire in order to distance their enemies from their heartland.

But this was a period when Sweden's neighbours were extremely weak. "Neither Denmark, nor Poland, nor Russia, could be expected to tolerate for long a situation in which they were compelled to contribute to the establishment of a Swedish empire." Moreover, the Swedes lacked the manpower, and even the will, to operate a far-flung administration. The biggest blow to Sweden came in 1805, when Finland was withdrawn from its tutelage and became a vassal of the Czar.

In the 20th century, however, the policy adopted by Sweden was one of retrenchment. It tried unilateral disarmament, hoping that others would follow suit, but no one did. Then it was realized that Sweden must have a powerful ally if it were to deter a powerful aggressor.



Meir Pa'il...success formula.

Klaus-Richard Boehme and Col. Bo Hugemark, of the Swedish Staff College, in a joint paper, pointed to Germany and to Russia as possible dangers. In 1930, a group of Swedish army officers published a book urging military cooperation with Finland, arguing that if Finland were left to fight alone, Sweden would have to undertake massive re-armament. "But nothing happened," said Hugemark, who presented the paper. When Finland was eventually in danger, Sweden was asked to lend armed support. But it refused and declared itself non-belligerent.

In the post-World War II period, Sweden has turned to re-armament and military re-organization in the hope of being able to resist an attack until a friendly super-power joins the

melee. However, Sweden's greatest hope seems to be the "margin theory," which holds that no belligerent super-power would risk a tough fight over lakes and mountains in what is, after all, a backwater of European history.

But is the argument valid? "If it is improbable that we shall be left out of a general war," concluded Hugemark, "why not adapt to realities and prepare for foreign aid? However, no change is likely to occur in the foreseeable future," Hugemark concluded.

WHEN POLITICIANS fail to grasp the current mutations of the "military art" and the international situation, they court disaster. One sensed agony in Dr. C.M. Schulten's description of the inter-war period in Holland. It should have been obvious to all that were hostilities to be renewed after World War I, Holland would become involved, said Schulten, a member of the historical service of the Dutch army. But the politicians preferred to play the neutrality game, hoping against hope that the Netherlands would be ignored by the Great Powers.

Indeed, Schulten said, the Dutch military attaches in Brussels, Paris and London were entrusted with a special sealed envelope which they were instructed to open only if they learned that Holland was being attacked. Only then were they to ask for assistance. So, instead of preparing the country's defences and making alliances before the disaster, "we were outwitted."

In that respect - anticipating the worst eventually - the Hagana

showed more perspicacity. When Rommel was advancing in Africa, the underground force prepared a plan to create a "northern Tobruk" on the Carmel.

"We assumed that the British command would see a strategic value in the existence of 'Fortress Haifa' as a base for harassing the German army and as a bridgehead for future operations when the British forces went over to a counter-offensive towards Egypt," said Aluf (res.) Yosef Avidar, a senior commanding officer in the Hagana at the time.

But how can a small nation bear the cost of extensive fortifications against a powerful onslaught? Peter Dunnet, of the Royal Roads Military College in Victoria, Canada, had his country's experience in mind when he recommended a "free ride" policy. For over a century, Britain looked after Canada's defence; now the matter should be smoothed by the consideration that the giver also benefits greatly from his munificence. And also by the realization that a weak neighbour is fortunate to have a strong neighbour with patently common ideals.

SOME 40 PAPERS were read at the symposium - one by a Korean participant - spanning history from antiquity almost to the present day. The historians were very frank in their approach. A Frenchman admitted candidly that, in fact, the people of Lorraine, bordering France and the Germanic kingdoms, never wished to be the subjects of the king in Paris; it was a strategic need of the French to have Lorraine in their grip. It was

because of the community of language and religion that the people of Lorraine "slowly became accustomed to the French regime."

Though dealing with the happenings of the past, the historians clearly had the future in mind. One guessed that Prof. Michael Haragor, of Tel Aviv University, was drawing an unspoken Middle East parallel when he described how the Swiss became friendly towards France after battling their powerful neighbour for over a century.

To end at the beginning, we turn back to the opening by Prof. Mordechai Gichon of Tel Aviv University. Paraphrasing Napoleon, Gichon said that "the security and the defence of every country lies in its geography. Size may be fatal for a small country, since any enemy penetration endangers the infrastructure of its national defence, manpower and internal administration."

There could even be doubts as to the value of organized resistance, since everything that had to be protected was liable to become involved very soon in the battle zone and to be exposed to severe damage or utter destruction. Small countries must depend for their survival on man-made fortifications, said Gichon, pointing out that Judean kings spent a great deal of effort on strengthening their defences. So did the Crusaders, who failed only when they lacked the manpower to hold their castles.

But as Napoleon knew, fortifications can best be built in the mountains, and he accordingly refrained from attempting to march on Jerusalem. For defence and attack, possession of the hill regions is essential for anyone who wishes to control this country. Perhaps not only by physical possession; sagacious diplomacy is vital to maintain the precarious balance of survival. History has shown that without the mountains as his base, a ruler's power could at best be only nominal.

Helpful herbs

GARDENER'S CORNER / Walter Frankl

APART FROM the value of herbs and their use in the kitchen, most gardens also benefit from the presence of these plants. They repel certain insects, and a herb-filled garden is generally a pleasure to have.

A garden without kitchen herbs is like a soup without salt and the specialties of the best chef would become worthless without the taste and aroma provided by natural plants which in ancient times served the same purpose.

With the exception of mint (*nana*) which thrives in a fairly damp area, most herbs do best in a sunny, well drained environment. Soil for herbs does not necessarily have to be of a particular quality and herbs thrive in the most average garden loams. A small spot in the garden, protected by shrubs, trees or a wall against strong winds, close to a water tap and not too far from the kitchen, could easily serve as a corner for herbs.

Six square metres is enough garden space to provide a kitchen with all the necessary herbs for a whole year. The establishment of a herb corner, like everything else in the garden, requires prior planning and step by step work - with these you will eventually achieve your aim.

Some organic manure or good compost should be spread over the area, earmarked for herbs and it should be watered with a sprinkler for half-an-hour. To make your own sprinkler buy a few metres of a small (half "zoll") rubber or plastic hose and connect it to the nearest water tap (screw tight using a "record"). Also buy a spiked sprinkler and fix it to the other end of the hose. These items are all available at garden-supply shops. Even the smallest sprinkler will provide the necessary quantity of water.

People without a garden can grow their herbs in a sunny corner of a balcony or roof. Most herbs can be also grown in tins, balcony boxes or large flower pots. A watering can is needed to supply the herbs with the essential moisture during dry periods.

Hundreds of cottages and villas are being built in the hilly vicinity of Jerusalem (Mevasseret Zion, Ramot, Maale-Adumim, etc.) Most of them already possess gardens. In many cases natural rocks are used for walls surrounding the plot. Herbs can also be planted against these walls.

On a recent trip to England I saw

herbs planted in the walls at Burford Gardens, which looked highly original, decorative and pleasant. Generations back, the creators of the walled park must have hewn out fist-size holes in the bricks, filled them with soil and planted herbs. These multiplied during several generations, and their seeds, spread by winds, birds, insects and rains over all parts of the inner wall, filled all crevices with an abundance of flowers in different colours and a richness of aromatic smells. England's beneficial rains, during both summer and winter keep the mostly perennial wallflowers thriving and attractive. In Israel with its dry summers, a dripping pipe on top of the wall would solve the problem.

Now to go back to the beginning. After a good watering of the herb area, wait about a fortnight until



Design for a knot garden.

most of the weed seeds in the soil have germinated. Then turn the ground with a gardenfork. In doing so you'll be rid of most weeds which will no longer trouble your herb garden, and the soil-covered weeds will quickly rot in the ground creating additional plant food which gardeners call "green manure."

September is an ideal time to start a herb corner. When planting outdoors raise the beds by 10 to 12 centimetres so that surplus water caused by heavy winter rains will not harm your plants. When using seeds, put in a little stick with the name of the herb you sow. Use a special marker with waterproof colour. Herbs by seed.

Celery needs moisture and protection against frost. The seed is very small and should be mixed with sand to avoid overcrowding. It takes some time until you see results therefore

you should be patient! Sometimes it takes four to five weeks until the first green tops of celery seedlings appear on the surface of your seedbox. Some gardeners do not transplant these but sow the seeds in a place where they shall remain and thin them out later. However, transplanted seedlings are stronger and live for a longer time than those kept in the germination box. When the celery plants reach a height of 10 cm. take them carefully out and transplant them into yogurt cups filled with fine sandy soil. Plants will grow quickly and with four or six leaves they may be transplanted into their permanent place.

Celery leaves will generally not be damaged by birds, aphids or caterpillars, but the leaf-miner fly, hovering around the plants, can be kept away by dusting with heptachlor powder. Since this is poisonous, the celery leaves have to be washed thoroughly before they are eaten. The leaf-miner fly lays its eggs on the leaf, and when hatched the grub begins to eat its way down the leaf. Its passage may be seen, as it eats the cells containing the green chlorophyll, and thus leaves a white curly line behind it. Pinch off all affected leaves and burn them.

If you continue to plant celery during the months of October and - weather permitting - November, they will be ready for Pessah. More herbs can be raised from seeds in September in the same way as for celery. All that has to be done is to

buy packets of seeds, prepare a garden bed or containers, get some compost and begin.

Below is a list of herbs for your choice:

Thyme (*Thymus vulgaris*, *koranin* in Hebrew), Sage (*Salvia officinalis*, *marva*), Marjoram (*Origanum majorana*, *asow*), Parsley (*Petroselinum crispum*, *petroselinon*), Dill (*Anethum graveolens*, *shewet or shamir*), Coriander (*Coriandrum sativum*, *gad or cusbar*), Garden Cress (*Lepidium sativum*, *rashad*), Mustard (*Sinapis alba*, *hardal*), Chives (*Allium schoenoprasum*, *erit* - the German name "schnittlauch" is more common), Savoury (*Satureia hortensis*, *satur*), Nasturtium (*Tropaeolum majus*, *kova nazeer*), Basil (*Ocimum basilicum*, *reihan*), Borage (*Borago officinale*, *boraq*), Chervil (*Anthriscus cerefolium*, *savagiu*).

There are three herbs, that are very popular in this country, which prefer other ways of propagation than by seed: Rosemary (*Rosmarinus officinalis*, *rosmarin*) best propagated by cuttings, Mint (*Mentha piperita*, *nana*) best propagated by rooted runners and Garlic (*Allium sativum*, *shum*) best propagated by cloves (bulbets).

Herb garden styles. The use of herbs for culinary and medicinal purposes is as old as the history of mankind. Homer mentions *selinos* (celery) in the *Odyssey* and the Theophrastes, the greatest botanist of ancient times, wrote about herbs in his *History of Nature*. In Egypt a papyrus roll has been discovered from Pharaonic times, with several hundreds of names of herb plants. Ancient Romans brought the first parsley plants to central Europe and England and historians of the time like Pliny, Columella and Dioscorides described herb plants in their well-preserved scripts.

During the Middle Ages herbs were grown in walled monasteries

and royal palace gardens. Famous herb gardens appeared all over the English countryside during the Elizabethan period. This was probably the first period where ordinary people planted kitchen and medicinal herbs in their home gardens. One of the classic examples is the garden in Stratford-upon-Avon.

The garden was restored in 1848 and opened to the public with the original layout planted by no less a personage than Shakespeare himself. On a visit to Stratford in June, we saw the typical, informal style garden. Plenty of lavender, mint, savoury, marjoram and many rosemary hedges, mingled with thyme, fennel and camomile could be seen in this unchanged old garden. Shakespeare not only personally tended the garden, but immortalised his herbs: "Here is flowers for you; hot lavender, mints, savoury, marjoram." (*The Winter's Tale*, IV, 4).

While the cottage garden of Anne Hathaway, Shakespeare's wife, represents an informal style, with all plants dispersed over plots of irregular size, divided by rough paths of broken stone, the "great garden of Newplace" where Shakespeare retired after his busy life in London is a contrast in style, probably copied from the Hampton Court garden of that time. It is a typical Elizabethan "knot garden" in square shape, divided by paths of stone into four "knots" or beds, each with different herbs and the interlaces planted with many flowers in contrasting colours.

A well-planned formal garden can make a central feature and give some interest all the year round. The well-treated, attractive plot with the words in Hebrew "Welcome to Jerusalem," at the entrance to the city, is a formal herb garden, since the plants used are evergreen, aromatic, and low growing santolinas.

ONE MAJOR discovery I have made over the years is that whenever you find something good on the market, it will have gone out of production by the time you come back for more.

Take coffee mugs. We like ours large, round-eared, thin-rimmed, and preferably without pink roses painted on them. I bought half a dozen of those some years ago, but what with our drinking a lot of coffee, they sicked and transited one by one, and I went to buy new ones. I found every variation in the shops, from small and round-eared to large and thick-rimmed, plain, dotted, striped and flowered, but not one that answered our surely not so outlandish demands.

I could make a list of such things.

Sic transit everything

RANDOMALIA
Miriam Arad

It would include ballpoints, light bulbs, tins of sardines, inflatable clothes-hangers and reference books. Of all these, and others, I once bought one that pleased me, and never could find another when No. 1 was worn out, eaten up or dead.

All this, as I'm sure you'll have noticed yourself, applies to medicines as well. You find a pill or ointment that really works for you, sooner or later the boffins will discover it has some detrimental side-effect, contains ptomaine, or causes amnesia in rats. So then they produce a new pill instead, and it's never

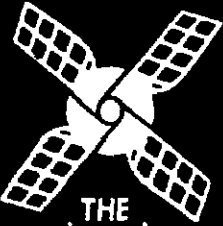
as effective as the old one.

I've tried to puzzle out a reason for this - let's call it the coffee-mug phenomenon. Can fashion be to blame? Is there such a thing as a fashion in sardines and clothes hangers? Could it be a striving for progress, never mind that I happen to consider it regress? Sheer novelty hunting? Or something more mundane, like manufacturers trying to browbeat us into consumerism?

Or maybe it's a sad but universal rule that nothing good can last. Kittens grow into cats, the rare TV programme that makes you laugh is taken off the air, good friends move to other towns or marry spouses that don't get on with yours, liberal governments fall.

Including soap. Not because it dissolves in use, but because long before that it will have dropped from your hand and shattered on the bathroom tiles. Myself, if ever they invent a slip-proof cake of soap, I'm going to lay in a lifetime's supply before it goes out of production.

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Bonds, banks take market higher

TEL AVIV. - The new month got off to a positive start in both the share and bond markets. Volumes and prices both moved ahead, and the financial markets paid no attention to the disastrous statistics published yesterday, on the decline in the foreign currency reserves and the volume of money injected into the economy during August.

Taking the bond market first, the trading volume rose to almost IS1 billion and prices rose in almost every sector of the market. The sharpest gains were recorded in the 20 per cent linked bonds, which rose 5 per cent, and the overall bond index put on 2.69 per cent. The bond index now stands at 294, with December 31, 1983-100.

The news of the price increases last night, which are expected to add 2 per cent to the cost of living, have already wiped out most of this rise, and the price of bonds continues to lag well behind the pace of inflation this year.

In the share market, too, volume was much higher than during last week, rising to IS625 million yesterday. The advance/decline index widened to about 2:1, as did the ratio between large up and down moves.

However, most of the extra volume and the main thrust of the price rises came in the "arrangement" share sector. Volume among the bank shares was IS470m., or 75 per cent of the total - the highest proportion in the last few weeks.

The "arrangement" bank index was also the strongest riser, adding more than 3 per cent and contributing the most to the 2.5 per cent overall gain.

A number of individual issues stood out by rising sharply, such as Harel (15 per cent), Tromasbest (14

Tel Aviv Stock Exchange

By PINHAS LANDAU

per cent) and Jordan (13 per cent). But the biggest eye-catchers were Galei Zohar and Andia.

Galei Zohar, as has been noted previously in this column, is "suffering" from a power struggle between two investor groups, each of which is chasing up the price in its attempts to obtain the extra few per cent of equity which will give it control.

Andia is in a quite different situation, it would seem that one or more groups of investors have got themselves trapped into being short in the IS5 share, in the mistaken belief that the option at the hold was about to become convertible to IS5 shares, thereby automatically covering their short.

However, the company has delayed the date from which the option will be convertible, and the IS5 share is now being run by another group, which seems to hold all the shares in this class, and the people holding the short are being ruthlessly squeezed. It is understood that one group of "short artists" are operating through Bank Discount, although the bank claims that their short position amounts to only some 200,000 shares. The Jerusalem Post has learned that the total short is, in fact, much larger, but it is not clear who is holding it.

The Andia ISS share was marked "buyers only" for the second successive day yesterday, and can today trade up by an unlimited amount.

MARKET STATISTICS

Indices

General Share Index	314.70	+2.53%
Non-bank Index	229.36	+1.24%
Arrangement Bank Index	374.47	+3.07%
Industrial	251.03	+3.11%
Bond Index	294.01	+2.69%

Turnovers

Shares	IS625.4m.
Bonds	IS986.0m.
Total	IS1611.4m.
Advances	127
Declines	76
of which 5% +	36
of which 5% -	2
"Buyers only"	2
"Sellers only"	3

Bond market trends

4% fully-linked:	Stable/Rises to 3%
3% fully-linked:	Stable/Rises to 2%
2% fully-linked:	Stable/Rises to 1%
Double-linked:	Rises to 1%
Dollar-linked:	Rises to 5%

Most Active Shares

IDB	12000	IS83.2m.	+280
Lumi	5130	IS107.9m.	+120
Hapozim	8151	IS105.5m.	+352

Sharpest Moves

T.G.L. opt.	24	-12	-33.3%
Sdom op.	55	-15	-21.4%
MIF Glico op.	160	+25	+15.6%
Cyclone op.	116	+18	+15.4%

Announcements:

Mar-Laz Development and Investments reported an adjusted profit for the 1983/4 year of IS104.9 million, eight times the equivalent figure of IS13.7m. in 1982/3.

Man Canned Food and Fish Industries lost an adjusted IS40.0m. in the year to March 31, 1984, up from the IS23.3m. equivalent for the previous year.

Polygon Textile Dyes, in its report for 1983/84, showed an adjusted loss of IS57.1m., nearly four times the amount of its loss the year before.

Azura Properties, the subject of a tender bid which is in progress yesterday and today, lost an adjusted IS146m. in the first half of 1984. The equivalent loss in the first half of 1983 was IS141.7m.

I.P. Building, a Clal subsidiary, reported a loss of IS10.6m. in January-June 1984, but this was much less than the equivalent IS19.2m. in the first half of 1983.

Model-Beton Investments took the wooden spoon for the batch of results published yesterday. This company lost IS254.8m. in the first half of this year, 2 1/2 times the IS98.8m. it lost in January-June 1983. The company notes that it has taken efficiency measures, including reducing its workforce by 26 per cent.

High interest to continue for South Africa

PRETORIA (Reuters). - South African interest rates, driven to record levels by an unprecedented austerity package a month ago, will remain high for some time, according to Finance Minister Barend du Plessis.

The package, designed to boost a flagging rand exchange rate and curb inflation, tightened hire-purchase restrictions and took the key interest rate banks charge on loans to their best customers from 22 to 25 per cent.

Du Plessis said over the weekend that the measures had arrested inflationary expectations, an important element for businessmen making investment decisions, although the inflation rate would rise before it began to fall.

South African consumer prices rose by 12.42 per cent in July, triple the rate in major Western countries.

Reserve Bank Governor Gerhard de Kock said last week that South Africa in the short term would have to accept the worst of both worlds - a tendency towards recession and an accelerating inflation rate.

Drought and a fall in the price of gold, which generates about half the country's foreign exchange, have hit the economy hard.

Commercial Banks

OHH	3300	2.5	n.c.
Maritime	1799	207	+254 +10.0
N. American	1704	24	-17 -1.0
N. American	1302	21	-13 -1.1
N. American	2157	400	-38 -2.6
Danot	285	16	+10 +3.5
Danot	122	310	+6.5 +9.9
Danot	170	37	-8 -4.5
First Int'l	405	674	n.c.
First Int'l	314	884	-8 -2.5

Commercial Banks

IDB	12000	693	+280 +2.4
IDB	12500	3	+500 +4.2
IDB	73700	n.c.	n.c.
IDB	8830	71	+160 +1.9
Discount	15000	240	+220 +2.9
Discount	1825	30	+30 +1.7
Mizrahi	4885	1295	+125 +2.3
Mizrahi	4870	67	+110 +2.3
Mizrahi	2250	50	+50 +2.3

Commercial Banks

Hapozim	10190	101	+485 +5.0
Hapozim	8151	1232	+352 +4.5
Hapozim	8050	177	-200 -2.6
Hapozim	30400	4	+500 +1.7
General	20950	94	+1200 +6.1
General	49405	3	+1200 +2.5
General	20000	2	+590 +3.9
General	1000	57	n.c.
General	5130	2103	+120 +2.4
General	6900	7	n.c.
General	11	9	n.c.
Finance	7160	25	+280 +4.1
Finance	3900	6	+201 +5.4

Commercial Banks

Adan	1145	12	+5 +4.4
Gen. Mortgage	1278	1	n.c.
Gen. Mortgage	485	7	n.c.
Carmel	366	n.c.	n.c.
Carmel	448	n.c.	n.c.
Dev. Mortgage	749	33	-83 -10.0
Dev. Mortgage	440	85	n.c.
Mishkan	n.c.	n.c.	n.c.
Independence	1325	n.c.	n.c.
Independence	1134	9	+103 +10.0
Tefahot	1059	38	n.c.
Tefahot	1115	3	n.c.
Tefahot	579	110	n.c.
Jaysour	157	24	-5 -3.1
Jaysour	151	8	+9 +6.3
Jaysour	69	4	-1 -2.1
Merriv	500	162	n.c.

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Commercial Banks



QUESTION

on
tonight, Monday, Se

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Heading for disaster

ONCE AGAIN, the Treasury has outdone itself. In August, the month after the elections, it injected into the economy the mind-boggling amount of IS135.4b. — or, in more easily graspable figures, some \$450m. That is about 2.5 per cent of the gross national product. A second record is the continued drain on the foreign currency reserves, which fell in August by another \$200m., and brought the reserves down to \$2.4b. — the level at which they stood in 1978.

The Treasury has an explanation, and it has a remedy. The explanation is that the injection of shekels as well as the rundown of the foreign currency reserves were to repay government debts — domestic and foreign, respectively. What the explanation does not explain is why the Treasury, which presumably has a debt service schedule and knows how much has to be repaid each month, did not make sure, in advance, that it would have the cash to pay upon due date.

The remedy, repeated to the point of tediousness, is — "package deal." or whatever it is called, which supposedly means a price-wage-tax-freeze all round. What it means now is nothing but a wage freeze or, more accurately, a wage cut. For a price freeze, the government not only lacks the minimal necessary instruments: it does not even have the information on present prices. As for tax freezes, the joker in the pack is that the elimination or reduction of the subsidies is equivalent to an increase in taxes. And no one is suggesting that the government should not cut back the subsidies to some supportable level. In addition, the Treasury has plans galore to impose new taxes, while it cannot collect those already on the law books.

What the government is doing, while it provides threadbare explanations and proposes quick remedies, is that it fuels an inflation that is likely sooner rather than later to break through the 800 per cent barrier. For the moment, it is repressed to the rate of 400 per cent — but that cannot last much longer.

True, the public does not seem to have used the cash it got directly and indirectly from the government to buy foreign currency in August. The cash injected into the economy seems to have found its way this time mainly into bigger shekel deposits, while the commercial banks, who got these deposits, used them to redeem expensive monetary loans from the central bank.

There is, however, a tight link between the government's injection of cash into the economy and the drain on our foreign currency reserves. In June, when the government poured IS52b. into the economy, the public bought foreign currency for IS64b. In July, when the government injected IS95b., the public bought foreign currency for IS153b. This month, the government has increased the public's liquidity by IS135b. Much of that money is lying in waiting for future developments, and it won't be long before it is translated into a new wave of foreign currency expenditures.

The economy is clearly headed for disaster, while the Treasury continues to keep on a course traced out to keep the man in the street comfortably unaware of it. The politicians should, and presumably do know better. But they haggle over who shall rotate first and how many ministers, deputy ministers, directors-general, ambassadors, general managers of government corporations, each with the empires that come with the post, there shall be in the next government.

A broad unity coalition of just the Likud and Labour, set up for a limited time, and determined to shelve all issues but that of saving the economy from catastrophe, might have been able to get us over the hump. A wall-to-wall coalition, all hangers-on and political blackmailers included, will stymie every effort in this direction.

Meanwhile, there is a caretaker government. It still bears the responsibility for administering the country, and it may last for some time yet. What is clear is that Finance Minister Yigal Cohen-Orgad, who was last October taken from behind the flock to save the economy and restore the government's credibility, has been a total failure. It matters little whether that is his own fault, or that of the government as a whole. It is he who has lost control, and he who bears responsibility.

Mr. Cohen-Orgad, as a minister in a caretaker government, cannot resign. But he can take a vacation, and hand over the actual running of the Treasury, which is evidently a job too big for him, to someone else. There is precedent for such a procedure.

When Yitzhak Rabin, under quite different circumstances, felt in 1977 that public hygiene required that he no longer exercise the functions of prime minister, he took a leave of absence and handed the *de facto* premiership over to Shimon Peres.

The case for drawing personal conclusions from failure and a self-preserving timidity that borders on irresponsibility is even clearer in the case of the governor of the Bank of Israel. He has, since his appointment on the initiative of former finance minister Yoram Aridor, proved that he is not a disappointment, but that he has been a disappointment.

The job of the central bank governor is not merely to be the government's adviser. Economic advisers who neither have an independent status nor aspire to it can be had by the truckload from the Treasury and the Bank of Israel. The governor of the central bank is called upon to fulfil an independent role, however limited in practice. The present governor, by contrast to his three predecessors, has proved himself to be no more than another Treasury official, dutifully doing the government's bidding, without a murmur of publicly audible protest or admonishment. At most, his itinerary before and after the elections has carried him to political leaders of every hue, whom he told the truth in private.

This manner of taking out political insurance is not enough. Dr. Mandelbaum, who evidently sees his present job as the culmination of a lifelong career as a civil servant, simply does not seem to have what it takes to perform an independent role, however circumscribed, as required by a central bank governor.

Unemployment either way

By DAVID KRIVINE

UNEMPLOYMENT is creeping up in the development areas, and that is only a beginning. No government can prevent the blight from spreading — neither the Likud, nor Labour, nor a government of national unity, nor even a cabinet of trade unionists headed by the secretary-general of the Histadrut.

There are only two alternatives: one is that the government perpetuates its present policy of doing nothing. In that case the Bank of Israel will not be able next year to continue supplying foreign currency on demand, the Treasury will have to ration it out.

Export industries, needing raw materials, will get priority. Companies requiring, for example, sheet iron to make refrigerators for the domestic market will be denied an import license, so will reduce the number of shifts and shed staff. Rationing will be extended to fuel, food. Electricity cuts will halt work in factories, which depend on power.

The other alternative is that the government does carry out a policy. There are not two views on what policy should be, the Likud and Labour negotiators readily found agreement over that. And Dr. Moshe Mandelbaum, governor of the central bank, spelled it out for the umpteenth time on television last week: the budget deficit must be cut; which is another way of saying that the number of jobs must be cut.

The administration is spending \$300m. a month of money it hasn't got. Let us hope this is a peak figure. The Economic Planning Authority will recommend to the new government — when we get one — that it

reduce its outlays by \$1.5b. a year, or \$125m. a month. The deficit will not be eliminated, but it will be reduced sharply.

WHY BOTHER? If the government creates unemployment, the politicians will become frightfully unpopular, so why not let nature take its course? The danger is this: if the authorities fold their arms and let the economy run to seed, the resulting unemployment, when it comes, will be bigger still — and it will be chronic.

Whatever the cabinet does, working hands are going to be idle — unless (there is always a saving grace) someone abroad picks up the tab. If the U.S. government increases its grant-in-aid, consenting to finance Israel's gaping trade deficit at the American taxpayer's expense, then all options remain open. Israel's problem is that it is running out of dollars. That problem ceases to exist if Uncle Sam makes good the shortfall.

No great insight is required to surmise that he won't. He may provide a dollop of supplementary aid to ease the pangs of transition — provided the Israel government uses the interval to mend its ways.

What specific measures will Uncle Sam expect of us? It would not be unreasonable of the State Department to say: we'll help overcome your bottleneck on condition that the bottleneck is temporary; on condition, in other words, that you do what your own Economic Planning Authority advises you to do.

What the EPA advises is that the Treasury pump less cash into people's pockets; which means (we are

back to square one) stepping up the number of jobless — to 7 per cent of the civilian labour force, the forecast says.

HERE ARE the figures: in 1983 persons out of work numbered 64,000. That represents a situation of full employment (allowing for a pool of people between jobs, etc.) This year the figure is up to 85,000.

Next year, according to the EPA, the government cuts its budget, nothing more. The number on the headline goes rising, averaging 105,000 in 1985.

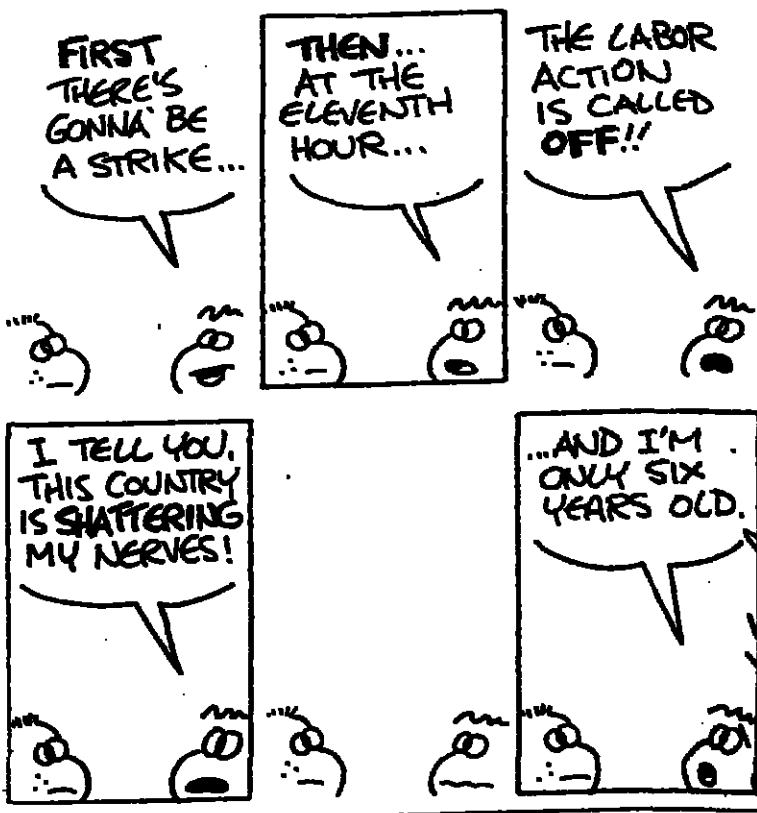
The government waits until the economy drive has its effect, with people in superfluous occupations shaken out of their posts and inflationary pressures appreciably reduced. At that point — three to five months after the Treasury outlays are slashed — remedial action begins.

It takes two forms. First, a devaluation of 10 to 15 per cent, giving a spurt to employment in the export industries. Second, a package deal between government, employers and labour freezing taxes, prices and wages.

The deal must not be concluded now, all experts are agreed on that; which makes it astonishing that Finance Minister Yigal Cohen-Orgad should be pressing so hard on the Histadrut for immediate action. It is imperative first to normalize the economy by getting rid of all, or most of, the excess purchasing power. Only after that momentous reform does a tripartite "social contract" (designed to stabilize the situation) make sense.

That is the plan as suggested by

Dry Bones



the EPA. Results will be as follows: output starts rising again very gradually by 3.7 per cent in 1986, 4.5 per cent in 1987 and 6 per cent by the end of the decade.

It is export-led. Foreign sales increase by 9 per cent a year on the average. Employment goes up again, and, bit by bit, the number out of work shrinks — from 7 per cent down to 6 per cent three years from now in 1987, and back to full employment by the end of the decade.

REDUCING DEFICITS has been beyond the power of the Likud administration. How do the experts suggest it be done? Since 1980, there has been no increase in the government's civilian expenditure, only defence has gone up — by all of 17 per cent (due, presumably, to the Lebanon war) Close to one-third of the

\$1.5b. that must be saved will come at the expense of the military.

The rest divides in two: reduced outlays by the government on social services, and stepped up revenue from taxes and levies — for example, the imposition of charges for those self-same social services. The experts drop two hints: Reducing subsidies on food and public transport to a ceiling of 25 per cent would save \$300m. to \$400m.; every additional 1 per cent of value-added tax brings in \$150m.-200m. (depending on how much is collected).

How about taxing the rich? Deflating the frenzied pace of economic activity, as recommended by the EPA, is the best way of eating into exaggerated profits — better than any system of taxation.

The writer is a member of The Jerusalem Post editorial staff.

Curiouser and curiouser

By ARYEH RUBINSTEIN

WHEN THE THREAT posed by Egyptian troop concentrations in Sinai in May 1967 led to a strong popular demand for the establishment of a national unity government, the thing was accomplished within a fortnight.

Menachem Begin's proposal that Ben-Gurion return to the premiership was not accepted, but his alternative suggestion that Moshe Dayan be named defence minister was. Begin and his Gahal colleague, Yosef Sapir, entered the cabinet without portfolios. And we had a unity government.

When a man knows that he is going to be hanged at daybreak, he concentrates his mind wonderfully, and an imminent war can shock a nation out of its normal discord and factionalism. But a mere economic catastrophe apparently cannot.

As if the four months that elapsed between the Knesset decision on early elections and the elections themselves were not enough, the country has seen six more weeks pass during which the coalition horse-trading has been conducted with even more than the customary deviousness.

Cheer players may well envy the expertise with which both Shimon Peres and Yitzhak Shamir are playing two games simultaneously — the first with one another and looking to

a unity government, the other with smaller parties and looking to a narrow Alignment- or Likud-led coalition.

The second game is a fall-back, of course, just in case unity efforts should fizzle out. Or is it designed both by Peres and Shamir to undermine the possibility of the other side's winning the first?

One thing is certain: economic shambles or not, the only sense of urgency on the part of the two top negotiators has been that generated by the fear that his opponent would sign up one of the satellites first.

LAST THURSDAY, the story became curiouser and curiouser.

Shamir promised Agudat Yisrael that Menachem Porush would be appointed deputy minister of labour and social affairs (in effective charge of the ministry, as was deputy minister Benzion Rubin) and that an Aguda man would be named director-general.

In addition, Avraham Shapira would be elected chairman of the

Knesset Finance Committee, and the Aguda would get three deputy director-generalships in government ministries.

Aguda was to get all these goodies — and this is the Alice-in-Wonderland connection — not if it joined a narrow Likud coalition but if it joined a Peres-led (for the first two years) unity government. Shamir promises and Peres pays. Similar promises were made to Shas and Morasha.

When Moses demanded that Pharaoh give the Israelite slaves three days off to sacrifice to God in the wilderness, Pharaoh asked: "Mi va-mi haholchim? — Who-all will be going?"

Shamir is not entering a Peres' unity government by himself, but with his sisters, and his cousins, and his aunts. He thus makes them beholden to him (a) if the unity government doesn't get off the ground or (b) when it breaks up. And if Peres wants only the bride without all her relatives, he will presumably bear the onus for the failure to achieve unity.

But the pay-off was revealed only on Saturday night. Aguda was promised not only all these political plums and the religious legislation it is demanding but also a veto on any move to raise the 1 per cent electoral threshold.

A UNITY GOVERNMENT, in the nature of things, cannot be expected to function efficiently and harmoniously for a long period. As Shlomo Aloni said on *Mabat* on Saturday night, it is important to have an opposition in parliament.

In the present situation, a unity government should be expected to serve between one and two years with two objects only: to put the economy on its feet and to raise the electoral threshold.

With the Alignment's 44 Knesset seats (apart from any increments since election day) and the Likud's 41, the two of them easily could have formed a unity government without any other partners.

Not to invite the smaller parties need not have been an article of

faith, if the latter were prepared to come in, get their share of portfolios, but not make any policy demands. Yes, very junior partners.

For a two-man faction like the Aguda to demand, as its price for joining a short-term unity government, the implementation of the paragraphs on religious legislation that were not fulfilled over the last seven years, would appear to be the height of *chutzpah*.

And there must be some other word for the National Religious Party's mouthings on "nothing but a unity government" while during to raise the Who is a Jew question, on which it has been ambivalent for the last decade.

If the Likud and the Alignment can compromise on settlements, Lebanon, and talks with Hussein, what moral right do the Aguda and NRP have to demand anything beyond the maintenance of the religious status quo? After the Aguda's seven fat years that is no small thing.

But even with politics and politicians what they are, Shamir and Peres must draw the line at yielding to the small parties on raising the threshold.

One more election under the present system may prove to be more than Israeli democracy can take.

The writer is The Jerusalem Post Knesset reporter.

READERS' LETTERS

WHO IS A JEW
To the Editor of The Jerusalem Post: — In his article, "The rules of creative survival" (August 26) Shubert Spero pleads for the proposed amendment in the Law of Return and warns that further relaxation of the definition of a Jew may ultimately lead to: "a Jew is one who feels himself to be a Jew."

Is such a possibility really so terrible? When the survivors of the concentration camps arrived in Israel, were they thoroughly investigated to find out whether they could prove that their mothers were Jewish? Apparently, at that time, the definition of Jew was: a Jew is the one whom the anti-Semites consider to be a Jew. How do we know that the preceding waves of Aliya were really Jewish? Have the Bliu or the halutzim ever submitted official proof of

their Jewishness? For all we know, the Jews who fought in the War of Independence had no proof that they were Jews. They just thought they were, and so did the Arabs.

Israel is the state of the Jewish nation and not a theocracy. If the Law of Return should be amended, it should be broadened to include all people who, under oath, swear that they consider themselves to be Jews.

Strictly speaking, even King David was not a Jew, since his great-grandmother Ruth was a Mosabite woman, who never converted according to Halacha. Therefore, when Messiah, the son of David, arrives, he may have difficulties with the present Law of Return.

Dr. JACOB ROSIN
Netanya.

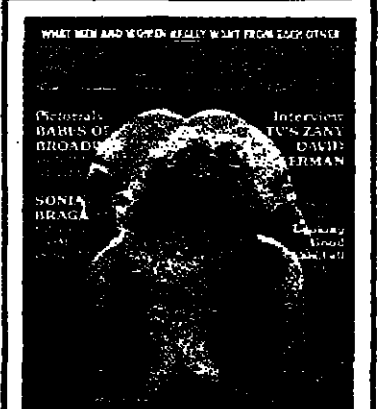
HARRIS HOUSE

To the Editor of The Jerusalem Post: — I am trying to trace a group of Jewish women for a TV documentary. They came to Britain, as refugees, mainly in December 1938, from Germany and Austria. They spent more than a year in Harris House, a home in Southampton, near Manchester. Their names are: Lottie Gross; Gerie and Hedwig Herzberg; Ilse Maurer; Kitty Pistol; Frieda Beer; Jill Marx; Dorothy Freukel; Margot Brauer; Clara and Rosa Schapiro; Hilda, Frieda and Lea Rot and Ruth Hammer. (The names are those they used in 1938). If anyone knows anything of the present whereabouts of these women, please contact me at Yorkshire Television, The Television Centre, Leeds LS3 1JS. Any information will be treated in confidence.

MARK GALLOWAY
Documentaries,
Yorkshire Television
Leeds, England.

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THE BATTLE OF ARNHEM

To the Editor of The Jerusalem Post: — I read with interest Judy Siegel's report of August 28 that President Chaim Herzog will wait until the political situation here clears up before deciding whether to accept an invitation from Queen Beatrix of the Netherlands to a ceremony marking the Battle of Arnhem and the liberation of Nijmegen from the Germans.

Perhaps President Herzog would like me to represent him. As a serving paratrooper of Britain's First Airborne Division, I took part in Operation Market Garden.

I should be honoured to see Israel's flag raised in Nijmegen, where I stood at the age of 26, and salute it, flying proudly 40 years later.

PHILIP GOLDSMID
Kibbutz Zikim.

RESPONSIBILITY FOR FAILURE

To the Editor of The Jerusalem Post: — I note in your *New York Times* supplement of August 26 that all the directors of the Continental Illinois Bank, which had to be rescued by the relevant U.S. federal agency, have been removed.

In our country, only one top official is no longer there, but the others are wondering why the public lacks confidence in the banks. One worthy director, Mordechai Einhorn of Bank Leumi (August 24), had the *chutzpah* to blame the government for the situation from which the banks had to be rescued. Does he

really think that the public has forgotten the activities of the banks' own advisers in pushing the bank shares? The near-crash did not occur because the government restricted the banks' profits, but because of the unethical and imprudent policies of the banks.

The first step in the restoration of the public's confidence must be the removal of the failed management.

Is it too much to expect that officials in high places be held responsible for their actions?

A. MARKS
Moshav Avihayil.

VOLUNTEER DENTISTS

To the Editor of The Jerusalem Post: — I have been doing volunteer dentistry in Israel for about 10 years and I wonder why more Israeli dentists don't come forward to offer some badly needed services. Please

contact me at P.O.B. 8391, Jerusalem. We can use some help in many areas of Jerusalem.

DR. HAROLD BLUM
Jerusalem.

POSTSCRIPTS

AN UNUSUAL community project has evolved in Ashdod over the past 3½ years. A newspaper called *Kol Hakol* has so far trained 420 high-school pupils and adults to report on the city's activities.

Funded by the Joint Israel Appeal and Project Renewal, *Kol Hakol* has become a part of the city and its culture. Recently, Deputy Mayor

Eli Shevi awarded 30 outstanding young journalists certificates of merit and gift pens from the JIA office in town.

Says Shoshana Barkai, the paper's editor: "Training these young participants as journalists not only provides them with marketable job skills and boosts their self-confidence, but also ensures a thriving community life." L.M.

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